

SIMI VALLEY CIVIC CENTER AUTHORITY

no dup

Basic Legal Documents

\$1,200,000 Simi Valley Administration Facilities

Lease Revenue Bonds

[Stone + Youngberg...]
Public debts Munic Simi Valley
" bldgs Civic Center
" " Munic " "
Investments Public securities



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Resolution (Indenture)

Ground Lease

Sublease

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**RESOLUTION OF THE SIMI VALLEY CIVIC CENTER AUTHORITY
CONSTITUTING ITS INDENTURE PROVIDING THE TERMS AND CONDITIONS
FOR THE ISSUANCE OF \$1,200,000 REVENUE BONDS DESIGNATED
"1977 SIMI VALLEY ADMINISTRATION FACILITIES LEASE REVENUE BONDS"**

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**RESOLUTION OF THE SIMI VALLEY CIVIC CENTER AUTHORITY
CONSTITUTING ITS INDENTURE PROVIDING THE TERMS AND CONDITIONS
FOR THE ISSUANCE OF \$1,200,000 REVENUE BONDS DESIGNATED
"1977 SIMI VALLEY ADMINISTRATION FACILITIES LEASE REVENUE BONDS"**

BE IT RESOLVED BY THE SIMI VALLEY CIVIC CENTER AUTHORITY, as follows:

ARTICLE I

DEFINITIONS AND SECURITY

SECTION 1.01. *Definitions.* The terms defined in this Section shall have the following meanings unless the context otherwise requires.

Act

"Act" means Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500).

Additional Bonds

"Additional Bonds" means such other issue of bonds, revenue notes or any other evidences of indebtedness, payable out of the Revenues as defined in Section 1.02, ranking on a parity with these Bonds and authorized to be issued pursuant to Sections 3.05 and 3.06 hereof.

Agreement

"Agreement" means that certain Agreement entered into pursuant to the Act entitled: "Joint Exercise of Powers Agreement Between the City of Simi Valley and the County of Ventura Creating the Simi Valley Civic Center Authority" dated March 22, 1977, under and pursuant to which the Authority has been organized.

Architect's Certificate

"Architect's Certificate" means a certificate signed by a duly authorized officer or representative of Kurt Myer & Associates, Los Angeles, as architects of the Project.

Authority

"Authority" means the Simi Valley Civic Center Authority, a public entity created by the Agreement pursuant to the Act.

Authorized Investments

"Authorized Investments" means any securities in which the Authority may legally invest funds subject to its control.

Base Rental

"Base Rental" means the annual rental obligation of City specified in Section 4(a) of the Lease.

Bond Act

"Bond Act" means Article 2, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6540).

Bondholder, Holder of Bonds

"Bondholder" or "Holder of Bonds" or any similar term means any person who shall be the bearer of any outstanding Bond: (i) payable to bearer, or (ii) the registered owner or his duly authorized attorney, representative or assigns of any outstanding Bond which shall at the time be registered so as to be payable other than to bearer.

For the purpose of Bondholders' voting rights or consents, Bonds owned by the Authority or by either of the parties to the Agreement, shall not be counted.

Bonds

"Bonds" means the 1977 Simi Valley Administration Facilities Lease Revenue Bonds authorized by, and at any time outstanding pursuant to this Resolution.

Certificate, Statement, Written Request, Written Consent, of the Authority

"Certificate of Authority," "Statement of the Authority," "Written Request of the Authority" and "Written Consent of the Authority" mean, respectively, a written certificate, statement, request or consent signed in the name of the Authority by such person as may be designated and authorized to sign for the Authority for such purpose, with the seal of the Authority affixed. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

City

"City" means the City of Simi Valley, a municipal corporation of the State of California.

Construction Contract

"Construction Contract" means the construction contract or contracts providing for the construction of the Facilities, a copy of each of which is or will be on file in the office of the City Clerk.

Controller

"Controller" means the Controller of the Authority. Whenever the terms "Treasurer" and "Controller" are used herein, the use of such terms shall mean that such officers may have duties to perform with regard to the particular subject matter but such officers may divide their duties to the extent permitted by law to carry out the purposes of this Indenture whether referred to in the conjunctive or not.

Engineer's Certificate

"Engineer's Certificate" means a certificate signed by a duly authorized officer or representative of the Department of Public Works of the City.

Facilities

"Facilities" means the administration building and related facilities as described in the Lease. "Facilities" includes all of the Project except the Site.

Financial Newspaper or Journal

"Financial newspaper or journal" means *The Wall Street Journal* or *The Daily Bond Buyer* or any other newspaper or journal devoted to financial news and selected by the Trustee, whose decision shall be final and conclusive.

Fiscal Year

"Fiscal year" means the fiscal year as established from time to time by the City, being as of the date of this Resolution, the period from July 1 to and including the following June 30.

Governing Board

"Governing Board" means the Governing Board of the Authority.

Ground Lease

"Ground Lease" means the Simi Valley Administration Facilities Ground Lease, dated July 1, 1977 and any amendments thereof as may be permitted hereunder.

Lease

"Lease" means the Simi Valley Valley Administration Facilities Sublease, dated July 1, 1977, and any amendments thereof as may be permitted hereunder.

Maximum Annual Debt Service

The term "Maximum Annual Debt Service" means the maximum amount payable as interest on and as principal of the aggregate amount of outstanding Bonds and Additional Bonds on the payment dates in any Fiscal Year.

Opinion of Counsel, Bond Counsel

"Opinion of counsel" means a written opinion of counsel (who may be counsel for the Authority) retained by the Authority. "Bond Counsel" means any attorney or firm of attorneys of national and favorable reputation in the field of municipal bond finance. Any opinion of such counsel may be based, insofar as it relates to factual information which is in the possession of the Authority, upon a certificate or opinion of, or representation by, an officer or officers of the Authority, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous.

Project or Leased Premises

"Project" or "Leased Premises" means the Site and the Facilities thereon.

Resolution

"Resolution" means this Resolution, adopted by the Authority, which under the Bond Act constitutes the Indenture providing the terms and conditions for the issuance of the Bonds.

Site

"Site" means the real property described in Exhibit A attached to the Lease and incorporated herein by reference, on which the Facilities are to be located.

Supplemental Resolution

"Supplemental resolution" means any resolution at any time in full force and effect which has been duly adopted by the Authority under the Bond Act, or any act supplementary thereto or amendatory thereof, amendatory of or supplemental to this Resolution, but only if and to the extent that such supplemental resolution is specifically authorized hereunder.

Treasurer

"Treasurer" means the Treasurer of the Authority. Wherever the terms "Treasurer" and "Controller" are used herein, the use of such terms shall mean that such officers may have duties to perform with regard to the particular subject matter but such officers may divide their duties to the extent permitted by law to carry out the purposes of this Indenture whether referred to in the conjunctive or not.

Trustee

"Trustee" means the United California Bank, or its successor, as Trustee hereunder.

SECTION 1.02. *Security.* Pursuant to the Bond Act and this Resolution, the outstanding and unpaid Bonds shall be and are equally secured by a pledge of and lien upon the Revenues, as defined in this Section, and so long as any of such Bonds or interest coupons thereof are outstanding and unpaid, such Revenues and the interest thereon may be used only as provided in this Resolution, unless the authority to make other use of such Revenues shall be authorized by the Bondholders pursuant to the provisions of this Resolution, and during such period the Agreement shall be irrevocable and may not be amended or modified in any manner to the detriment of the Bondholders, other than to the extent and in the manner provided herein.

Any Bond for the payment and discharge of which upon maturity, or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise to insure the payment thereof, of money, or securities as permitted by law, sufficient for the purpose or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account of moneys, or securities as permitted by law, sufficient therefor, shall be deemed to be no longer outstanding and unpaid within the meaning of any provision of this Resolution. This Resolution, including, without limitation, all covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Holders of such Bonds and interest coupons without preference, priority or distinction, as to security or otherwise, of any of such Bonds or interest coupons over any of the others by reason of time of issue, sale or negotiation thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

The term "Revenues" as used in this Resolution shall mean:

First: Revenues derived from the operation of the Project, to wit:

- (a) All rental and other income received by the Authority as lessor under the Lease, and
- (b) All rental and other income of any type and nature derived by the Authority from the use and operation of the Project if the same is operated by the Authority in case of default by the City.

Second:

- (a) Any damages received under the terms of the Construction Contract that are not part of the cost of the Project under Section 3.04.
- (b) Any interest or other income derived from the investment of funds herein provided for that are not part of the Construction Fund under Section 3.03.

Third: All rentals and other income of any type and nature received by the Authority as lessor or otherwise from improvements to or additions to or extensions of the Project later constructed or made.

This Resolution fixes the terms and conditions of the Bonds and in its articles, sections and clauses thereof makes such provision and covenants as are valid under the Constitutions of the State of California and the United States of America and are deemed necessary or desirable to facilitate the issuance and sale of the Bonds and for the protection or security of the Holders thereof.

Bonds issued under this Resolution shall not constitute a debt, liability or obligation of either the County of Ventura or the City of Simi Valley which are the parties to the Agreement.

Nothing in this Resolution or in any subsequent resolution shall preclude: (a) the Authority from providing, subject to the limitations in Section 6.15, for the issuance, sale or exchange of refunding Bonds, revenue notes or any other evidence of indebtedness payable out of the Revenues for the

purpose of redeeming or retiring prior to maturity any of such Bonds which are subject to call and redemption prior to maturity and from providing for the payment of said Bonds from proceeds of such refunding Bonds issued under the Bond Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (b) the issuance of Additional Bonds, revenue notes or any other evidences of indebtedness payable out of the Revenues pursuant to Sections 3.05 and 3.06 and subject to the limitations thereof, ranking on a parity with said Bonds.

ARTICLE II

THE BONDS

SECTION 2.01. *Authorization.* Bonds of the Authority are hereby authorized to be issued under and subject to the terms of this Resolution for the object and purpose of providing the funds required for the acquisition, construction and financing of the Project, including expenses incidental thereto or connected therewith. The Bonds are designated as the "1977 Simi Valley Administration Facilities Lease Revenue Bonds". The Bonds may be sold in one issue or in such series as from time to time shall be established and authorized by the Authority, subject to the conditions and limitations herein contained.

SECTION 2.02. *Terms of Bonds.* The Bonds to be issued under this Resolution, shall be in the aggregate principal amount of \$1,200,000 and such issue of Bonds is hereby created. The Bonds shall be initially issued in the form of coupon bonds in the denomination of \$5,000 each, exchangeable for fully registered Bonds without coupons, in denominations of \$5,000 each or any multiple thereof. The coupon Bonds shall be dated as of July 1, 1977, and shall be numbered 1 to 240 inclusive. The Bonds shall mature on July 1 in the amounts and on the date as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Principal Amount</u>
1979.....	\$20,000	1991.....	\$45,000
1980.....	25,000	1992.....	50,000
1981.....	25,000	1993.....	55,000
1982.....	25,000	1994.....	55,000
1983.....	25,000	1995.....	60,000
1984.....	30,000	1996.....	65,000
1985.....	30,000	1997.....	70,000
1986.....	35,000	1998.....	75,000
1987.....	35,000	1999.....	80,000
1988.....	40,000	2000.....	85,000
1989.....	40,000	2001.....	90,000
1990.....	45,000	2002.....	95,000

The Bonds shall bear interest at a rate or rates to be thereafter fixed, but not to exceed eight percent (8%) per annum, payable semiannually on the first days of January and July of each year, commencing January 1, 1978.

The interest coupons attached to the Bonds shall be numbered in consecutive numerical order from 1 upwards in the order of their respective maturities. Each such coupon shall represent six months' interest on the Bond to which it is attached.

Both the principal of and interest on the Bonds shall be payable at the principal office of the Trustee, in Los Angeles and San Francisco, California, or, in the case of coupon bonds, at the option of

the Bondholder, at the offices of the Paying Agents of the Authority in New York, New York or Chicago, Illinois, in lawful money of the United States of America.

The fully registered Bonds shall be numbered by the Trustee as the Trustee shall determine and shall be dated as of the date of authentication thereof, except that registered Bonds issued upon exchanges and transfers of registered Bonds and upon exchanges of coupon Bonds for registered Bonds shall be dated so that no gain or loss of interest shall result from such exchange or transfer. Each fully registered Bond shall bear interest from the interest payment date next preceding the date thereof unless it is dated as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is dated prior to the first interest payment date, in which event it shall bear interest from July 1, 1977. Interest on fully registered Bonds shall be paid by the Trustee (out of funds provided for that purpose by the Authority) by check or draft mailed to the registered owner at his address as it appears on the register kept by the Trustee pursuant to Section 2.07 of this Resolution.

The Bonds shall be subject to redemption prior to their respective stated maturities as provided in Article IV.

SECTION 2.03. *Forms of Bonds.* The coupon Bonds and the interest coupons to be attached thereto and the fully registered Bonds and the authenticating endorsement and assignment to appear thereon, shall be substantially in the forms hereinafter set forth with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution.

The recitals of regularity of proceedings in the Bonds issued and sold under this Resolution shall be conclusive evidence of compliance with the provisions of the Bond Act and the validity of such Bonds.

[FORM OF COUPON BOND]

No.

\$5,000

SIMI VALLEY CIVIC CENTER AUTHORITY
1977 SIMI VALLEY ADMINISTRATION FACILITIES LEASE REVENUE BOND

SIMI VALLEY CIVIC CENTER AUTHORITY, a duly constituted public entity and public agency created by the City of Simi Valley and the County of Ventura in the State of California (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the bearer hereof, on July 1, (subject to the right of prior redemption hereinafter mentioned), the principal sum of Five Thousand Dollars (\$5,000), together with interest thereon from the date hereof until the principal hereof shall have been paid, or provided for, in accordance with the Resolution hereinafter referred to, at the rate of per cent (.....%) per annum, payable semiannually on January 1 and July 1 in each year. Interest due on or before the maturity of this Bond shall be payable only according to the tenor, and upon presentation and surrender, of the annexed interest coupons as they severally become due. Both the principal hereof and interest hereon are payable at the principal office of the Trustee, United California Bank, in Los Angeles, and San Francisco, California, or, at the option of the Holder, at the offices of the Paying Agents of the Authority in New York, New York or Chicago, Illinois, in lawful money of the United States of America.

This Bond is one of a duly authorized issue of 1977 Simi Valley Administration Facilities Lease Revenue Bonds (herein called the "Bonds") aggregating \$..... in principal amount. Said issue of Bonds is regularly issued pursuant to the provisions of Article 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (herein called the "Bond Act"), and pursuant to a Resolution of the Authority authorizing the issuance of the Bonds (herein called the "Resolution") entitled: "Resolution of the Simi Valley Civic Center Authority Constituting Its Indenture Providing the Terms and Conditions for the Issuance of \$..... Revenue

Bonds Designated '1977 Simi Valley Administration Facilities Lease Revenue Bond' ". Reference is hereby made to the Resolution (a copy of which is on file at said office of the City Clerk of the City of Simi Valley), to any resolutions supplemental thereto and to the Bond Act for a description of the terms and conditions under which the Bonds are issued, the provisions with regard to Revenues, as that term is defined in the Resolution, and the rights of the Holders of the Bonds issued in negotiable form and of the bearers of the appurtenant coupons and the rights of the owners of Bonds issued in fully registered form; and all the terms of the Resolution and the Bond Act are hereby incorporated herein and constitute a contract between the Authority and the Holder from time to time of this Bond, and to all the provisions thereof the Holder of this Bond, by his acceptance hereof, consents and agrees.

This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Resolution) are payable from, and are secured by a pledge of and lien upon, the Revenues derived by the Authority from the Project (as that term is defined in the Resolution), and all such Revenues constitute a trust fund, in accordance with the provisions of the Resolution and the Bond Act, for the security and payment or redemption of, and for the security and payment of interest on, the Bonds.

This Bond is a special obligation of the Authority only, and is not a liability of any other public agency, or a pledge of or lien against the property or funds of the Authority, except to the extent of the pledge of and lien upon the Revenues, as provided by the Resolution. Neither the payment of the principal of this Bond, or any part thereof, nor any interest or premium thereon constitute a debt, liability or obligation of the County of Ventura or the City of Simi Valley, the public agencies which are parties to the Agreement creating the Authority.

The Bonds of the issue of which this Bond is one are redeemable prior to maturity in the event of loss of or damage to or condemnation of the Project on any succeeding date, as more fully set out in the Resolution at a redemption price as hereinafter set forth, at the option of the Authority, as a whole or in part but only in the manner and only from the funds as provided in said Resolution.

Except as set forth in the preceding paragraph, Bonds maturing on or prior to July 1, 1987, are not subject to call and redemption prior to maturity. Bonds maturing on or after July 1, 1988, are subject to call and redemption prior to maturity, at the option of the Authority, as a whole, or in part in inverse order of maturity and by lot within a single maturity, from funds derived by the Authority from any source, on July 1, 1987, or on any interest payment date thereafter, upon payment of a redemption price as hereinafter set forth.

The redemption price for any Bonds in the event of any call and redemption prior to maturity shall be equal to the principal amount thereof plus a premium equal to one-fourth of one percent ($\frac{1}{4}\%$) of said principal amount for each year or fraction of a year from the redemption date to the maturity date of the Bonds, but not to exceed five percent (5%) of said principal amount, and accrued interest to the date of redemption. Notice of call and redemption prior to maturity shall be given as provided in the Resolution.

The Bonds are issuable as coupon Bonds in the denomination of \$5,000, or as fully registered Bonds without coupons in denominations of \$5,000 or any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Resolution, registered Bonds without coupons may be exchanged for a like aggregate principal amount of coupon Bonds of the same series, interest rate and maturity bearing all unmatured coupons or for a like aggregate principal amount of registered Bonds without coupons of other authorized denominations of the same series, interest rate and maturity and coupon Bonds bearing all unmatured coupons may be exchanged for a like aggregate principal amount of registered Bonds without coupons of authorized denominations of the same series, interest rate or rates and maturity or maturities.

This Bond is negotiable and transferable by delivery.

The rights and obligations of the Authority and of the Holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (a) extend the maturity of the principal of or interest on this Bond, or (b) reduce the principal amount or redemption price or rate of interest hereon, or (c) reduce the percentage of Bonds required for the written consent to an amendment or modification, all as more fully set forth in the Resolution.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Act and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Act or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

IN WITNESS WHEREOF, THE SIMI VALLEY CIVIC CENTER AUTHORITY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman and the countersignature of its Secretary and the seal of the Authority to be imprinted hereon, and the interest coupons attached hereto to be executed with the facsimile signature of its Secretary, all as of the first day of July, 1977.

SIMI VALLEY CIVIC CENTER AUTHORITY

By

Chairman

(Seal)

Countersigned:

Secretary

[FORM OF INTEREST COUPON]

SIMI VALLEY CIVIC CENTER AUTHORITY,

on the first day of, 19....,
unless the Bond herein mentioned shall have been called for previous redemption
and payment of the redemption price duly provided for, will pay (but only
out of the Revenues referred to in said Bond) to bearer at the principal office Coupon No.
of the Trustee, United California Bank, in Los Angeles and San Francisco,
California, or, at the option of the Holder, at the offices of the Paying Agents
of the Authority in New York, New York or Chicago, Illinois, upon surrender
hereof, the sum set forth herein in lawful money of the United States of America, \$.....
being interest then due on its 1977 SIMI VALLEY ADMINISTRATION FACILITIES
LEASE REVENUE BOND, dated July 1, 1977. No.

Secretary

[FORM OF FULLY REGISTERED BOND]

Fully Registered Bond

No.

Coupon Bonds Nos.

SIMI VALLEY CIVIC CENTER AUTHORITY

1977 SIMI VALLEY ADMINISTRATION FACILITIES LEASE REVENUE BOND

SIMI VALLEY CIVIC CENTER AUTHORITY, a duly constituted public entity and public agency created by the City of Simi Valley and the County of Ventura in the State of California (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to or registered assigns (subject to the right of prior redemption hereafter mentioned), on the first day of July the principal sum of together with interest thereon from the interest payment date next preceding the date hereof (unless the date hereof is prior to January 1, 1978, in which event from July 1, 1977, or unless this Bond is dated January 1, or July 1, in which event from the date hereof) until the principal hereof shall have been paid, or provided for, in accordance with the Resolution hereinafter referred to, as the rate of per cent (.....%) per annum, payable semiannually on January 1 and July 1 in each year. Both the principal hereof and interest hereon are payable at the principal office of the Trustee, the United California Bank, in Los Angeles, and San Francisco, California, in lawful money of the United States of America.

The Bond is one of a duly authorized issue of 1977 Simi Valley Administration Facilities Lease Revenue Bonds (herein called the "Bonds") aggregating \$..... in principal amount. Said issue of Bonds is regularly issued pursuant to the provisions of Article 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (herein called the "Bond Act"), and pursuant to a Resolution of the Authority authorizing the issuance of the Bonds (herein called the "Resolution") entitled: "Resolution of the Simi Valley Civic Center Authority Constituting Its Indenture Providing the Terms and Conditions for the Issuance of \$..... Revenue Bonds Designated '1977 Simi Valley Administration Facilities Lease Revenue Bonds' ". Reference is hereby made to the Resolution (a copy of which is on file at the office of the City Clerk of the City of Simi Valley), to any resolutions supplemental thereto and to the Bond Act for a description of the terms and conditions under which the Bonds are issued, the provisions with regard to the Revenues, as that term is defined in the Resolution, and the rights of the Holders of the Bonds issued in negotiable form and of the bearers of the appurtenant coupons and the rights of the owners of Bonds issued in fully registered form; and all terms of the Resolution and the Bond Act are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, and to all the provisions thereof the registered owner of this Bond, by his acceptance hereof, consents and agrees.

This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Resolution) are payable from, and are secured by a pledge of and lien upon, the Revenues derived by the Authority from the Project (as that term is defined in the Resolution), and all such Revenues constitute a trust fund, in accordance with the provisions of the Resolution and the Bond Act, for the security and payment or redemption of, and for the security and payment of interest on, the Bonds.

This Bond is a special obligation of the Authority only, and is not a liability of any other public agency, or a pledge of or lien against the property or funds of the Authority, except to the extent of the pledge of and lien upon the Revenues, as provided by the Resolution. Neither the payment of the principal of this Bond, or any part thereof, nor any interest or premium thereon

constitute a debt, liability or obligation of the County of Ventura or the City of Simi Valley, the public agencies who are parties to the Agreement creating the Authority.

The Bonds of the issue of which this Bond is one are redeemable prior to maturity in the event of loss of or damage to or condemnation of the Project on any succeeding date, as more fully set out in the Resolution at a redemption price as hereinafter set forth, at the option of the Authority, as a whole or in part but only in the manner and only from the funds as provided in said Resolution.

Except as set forth in the preceding paragraph, Bonds maturing on or prior to July 1, 1987, are not subject to call and redemption prior to maturity. Bonds maturing on or after July 1, 1988, are subject to call and redemption prior to maturity, at the option of the Authority, as a whole, or in part in inverse order of maturity and by lot within a single maturity, from funds derived by the Authority from any source, on July 1, 1987, or on any interest payment date thereafter, upon payment of a redemption price as hereinafter set forth.

The redemption price for any Bond in the event of any call and redemption prior to maturity shall be equal to the principal amount thereof plus a premium equal to one-fourth of one per cent ($\frac{1}{4}\%$) of said principal amount for each year or fraction of a year from the redemption date to the maturity date of the Bonds, but not to exceed five per cent (5%) of said principal amount, and accrued interest to date of redemption. Notice of call or redemption prior to maturity shall be given as provided in the Resolution.

The Bonds are issuable as coupon Bonds in the denomination of \$5,000, or as fully registered Bonds without coupons in denominations of \$5,000 or any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Resolution, registered Bonds may be exchanged for a like aggregate principal amount of coupons Bonds of the same series, interest rate and maturity bearing all unmatured coupons or for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series, interest rate and maturity and coupon Bonds bearing all unmatured coupons may be exchanged for a like aggregate principal amount of registered Bonds of authorized denominations of the same series, interest rate or rates and maturity or maturities.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the principal office of the Trustee in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same series, interest rate or rates and maturity or maturities will be issued to the transferee in exchange herefor.

The Authority, the Trustee and any Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority, the Trustee and any Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Authority and of the Holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (a) extend the maturity of the principal of or interest on this Bond, or (b) reduce the principal amount or redemption price or rate of interest hereon, or (c) reduce the percentage of Bonds required for the written consent to an amendment or modification, all as more fully set forth in the Resolution.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Act and the laws of the State of California, and that the amount of this Bond, together with

all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Act or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, THE SIMI VALLEY CIVIC CENTER AUTHORITY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman and the countersignature of its Secretary and the seal of the Authority to be imprinted hereon.

Dated:

SIMI VALLEY CIVIC CENTER AUTHORITY

By

Chairman

(Seal)

Countersigned:

Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION ON REGISTERED BONDS]

This is one of the Bonds described in the within-mentioned Resolution.

UNITED CALIFORNIA BANK, AS TRUSTEE

By

[FORM OF ENDORSEMENT ON REGISTERED BONDS]

This registered Bond, issued in fully registered form without coupons, is issued in lieu of or in exchange for coupon Bond(s) of this same issue of the denomination of \$5,000 and bearing the coupon Bond numbers shown on the face hereof, each not contemporaneously outstanding, aggregating the face value hereof; and coupon Bonds of this same issue and of the denomination of \$5,000 and bearing the numbers above referred to, have been reserved and will be issued in exchange for this Bond in the manner, with the effect and under the terms and conditions stated on the face of the Bond and in the Resolution referred to therein.

[FORM OF ASSIGNMENT]

For value received hereby sells, assigns
and transfer unto
the within-mentioned Bond and hereby irrevocably constitutes and appoints
..... attorney,
to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

SECTION 2.04. *Execution of Bonds.* All of the Bonds shall be executed in the name and on behalf of the Authority and under its seal with the signature of the Chairman of the Authority and the countersignature of the Secretary of the Authority. Either such signature or such countersignature may be printed, lithographed, engraved or otherwise mechanically reproduced, but one of them shall be manually affixed to each Bond by the Chairman or the Secretary, as determined by the Authority. The seal of the Authority may be printed, engraved, stamped or otherwise placed in facsimile form on the Bonds.

The coupons to be attached to the Bonds shall bear the facsimile signature of the Secretary of the Authority.

In case any such officer whose signature or countersignature appears on the Bonds or coupons shall cease to be such officer before the Bonds so signed shall have been delivered, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until the delivery of the Bonds, and such Bonds shall be issued and outstanding hereunder and shall be as binding upon the Authority as though the person who signed such Bonds had been such official on the date borne by the Bonds and on the date of delivery. Also, any Bond or coupons may be signed and sealed on behalf of the Authority by such person as at the actual date of execution of such Bond shall be the Chairman or Secretary of the Authority, as the case may be, although on the date borne by such Bond such person shall not have been such official.

Prior to the delivery of any coupon Bond, all coupons thereon then matured shall be detached and cancelled by the Trustee and delivered to or upon the order of the Authority.

SECTION 2.05. *Transfer of Registered Bonds.* Any fully registered Bond without coupons may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.07, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such fully registered Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed.

Whenever any Bond shall be issued under this Resolution as a fully registered Bond without coupons, there shall be reserved by the Trustee unissued an aggregate principal amount of coupon Bonds, of the same series and maturity and of the denomination of \$5,000 each, equal to the principal amount of such registered Bond.

Whenever any fully registered Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall deliver a new fully registered Bond or Bonds without coupons, of the same series, interest rate or rates and maturity or maturities and for a like aggregate principal amount.

No transfers of fully registered Bonds shall be required to be made during the fifteen (15) days next preceding each interest payment date.

SECTION 2.06. *Exchange of Bonds.* Fully registered Bonds without coupons may be exchanged at the principal office of the Trustee in Los Angeles, California, for a like aggregate principal amount of coupon Bonds of the same series, interest rate and maturity (or for a like aggregate principal amount of fully registered Bonds of other authorized denominations of the same series, interest rate and maturity), and coupon Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of fully registered Bonds of authorized denominations of the same series, interest rate or rates and maturity or maturities. All coupon Bonds surrendered for exchange and delivered in exchange shall have attached thereto all unmatured coupons appertaining thereto (and any matured coupons but unpaid). The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No such exchange shall be required to be made during the 15 days next preceding each interest payment date.

All transfers, registrations and discharges from registration pursuant to this section and Section 2.05 shall be made under such reasonable regulations as the Trustee may prescribe and shall be at the expense of the Holder of the Bonds, including any taxes or other governmental charges required to be paid with respect to the same.

SECTION 2.07. *Bond Register.* The Trustee will keep or cause to be kept at his office in Los Angeles, California, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, Bonds as hereinbefore provided.

SECTION 2.08. *Temporary Bonds.* Any series of Bonds issued under this Resolution may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be without coupons and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the Authority and be issued upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Division of the Trustee in Los Angeles, California, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the authorized denominations of the same series and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds of the same series delivered hereunder.

SECTION 2.09. *Bonds Mutilated, Lost, Destroyed or Stolen.* If any Bond shall become mutilated the Authority, at the expense of the owner of said Bond, shall execute, and the Trustee shall thereupon deliver, a new Bond of like tenor and number (having annexed appropriate coupons corresponding to those, if any, annexed to the mutilated Bond) in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated together with any unpaid coupons thereto appertaining. Every mutilated Bond so surrendered to the Trustee shall be cancelled by him and redelivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to both and an indemnity satisfactory to them shall be given, the Authority, at the expense of the owner, shall execute, and the Trustee shall thereupon deliver, a new bond of like tenor and numbered as the Trustee shall determine (having annexed appropriate coupons corresponding

to those, if any, annexed to the lost, destroyed or stolen Bond) in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Bond issued under this section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond or coupon issued under the provisions of this section in lieu of any Bond or coupon alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds and coupons of the same issue secured by this Resolution. Neither the Authority nor the Trustee nor any Paying Agent shall be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds outstanding hereunder, but both the original and duplicate Bonds shall be treated as one and the same.

ARTICLE III

DISPOSITION OF BOND PROCEEDS

SECTION 3.01. *Issuance of Bonds.* Any time after the adoption of this Resolution, the Authority may order the Trustee to deliver the Bonds.

SECTION 3.02. *Creation of Funds.* The Trustee shall establish, maintain and hold in trust separate funds which are hereby created for the purpose of this Resolution as follows:

- (a) *Construction Fund.* The Construction Fund pursuant to Section 3.04.
- (b) *Revenue Fund.* The Revenue Fund pursuant to Section 5.01.
- (c) *Interest Fund.* The Interest Fund pursuant to Section 5.02.
- (d) *Retirement Fund.* The Retirement Fund pursuant to Section 5.02.
- (e) *Reserve Fund.* The Reserve Fund pursuant to Section 5.02.
- (f) *Working Capital Fund.* The Working Capital Fund pursuant to Section 5.02.
- (g) *Operation and Maintenance Fund.* The Operation and Maintenance Fund pursuant to Section 5.02.

SECTION 3.03. *Application of Proceeds of Bonds.* The proceeds received by the Authority from the sale of the Bonds shall be deposited with the Trustee who shall forthwith set aside such proceeds (except premium and accrued interest which shall be credited directly to the Interest Fund), in the Construction Fund, from which the following amounts shall be allocated and deposited in the following respective funds:

- (a) In the Reserve Fund an amount equal to one-half the Annual Base Rental payment.
- (b) In the Interest Fund an amount, which together with premium and accrued interest, if any, shall be equal to eight months' interest from the date of the Bonds.
- (c) In the Working Capital Fund the sum of \$1,000.

There shall also be deposited, transferred to, or held in the Construction Fund by the Trustee:

(i) All interest and other income earned on stated moneys in the Interest Fund and Reserve Fund held by the Trustee under the provisions of this Resolution for periods prior to completion of the entire Project.

(ii) Any moneys to the extent received by the Trustee from any other source (including, without limitation, any moneys donated for such purpose and moneys received pursuant to Sections 6.02 and 6.04) for the payment of the cost of the Project.

SECTION 3.04. *Construction Fund.* A. The moneys in the Construction Fund shall be applied to the payment of the cost of the acquisition, construction and financing of the Project including any or all expenses incidental thereto or connected therewith, including, but without limiting the generality of the foregoing, the costs of surveys, preparation of plans and specifications, acquisition of lands and other property, engineering, inspection and administrative costs, legal and financial consultant's fees, taxes levied on Authority, if any, fees, expenses, costs of the issuance and sale of the Bonds, Trustee's fees and including the reimbursement of the City for any of the foregoing costs and expenses whether the same were incurred before or after the adoption of this Resolution.

B. Payments from the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made by the Trustee there shall be filed with the Trustee:

(a) A Written Requisition stating in respect to each payment to be made,

(i) The item of the payment;

(ii) The name of the person to whom payment is due;

(iii) The amount to be paid;

(iv) The purpose, by general classification, for which the obligation to be paid was incurred;

(v) That the obligation or obligations in the stated amount or amounts have been incurred by or on behalf of the Authority, and has not been paid; and

(vi) That there has not been filed with or served upon the Authority or the City notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Requisition, which has not been released or will not be released simultaneously with such payment, other than materialmen's or mechanics' liens accruing by mere operation of law which will not be released until final payment is made.

(b) In the case of each payment made under the Construction Contract the Written Requisition shall state that an Architect's Certificate, if applicable, and an Engineer's Certificate is on file with the City, certifying approval thereof and further certifying that insofar as such obligation was incurred for work, materials, equipment and supplies, such work was actually performed, or such materials, equipment or supplies were actually installed, in furtherance of the construction of the Project or delivered at the Site of the work for that purpose, or delivered for storage or fabrication at a place or places approved by the City.

C. Upon receipt of each such Written Requisition (with Architect's Certificate attached, if the same is so required), the Trustee shall pay the amount set forth in such Written Requisition as directed by the terms thereof.

D. When the Project shall have been completed, a Certificate of the City Engineer, as agent for the Authority, stating the fact and date of such completion and stating that all of the cost of construction and incidental expenses have been determined and paid, or payment thereof duly provided for by moneys set aside by the Trustee for the purpose, together with an Architect's Certificate stating the fact and date of such completion, shall be delivered to the Trustee by the City.

E. Upon receipt of such Certificates, the Trustee shall transfer or hold any remaining balance in the Construction Fund as follows:

(1) First, to the Reserve Fund to the extent necessary to maintain said fund in an amount at least equal to one-half the annual Base Rental payment.

(2) Second, any remaining balance after the transfer to the Reserve Fund shall be transferred to the Revenue Fund.

SECTION 3.05. *Issuance of Additional Bonds.* In addition to the Bonds authorized to be issued under this Resolution, the Authority may by supplemental resolution establish one or more other issues of Additional Bonds on a parity with these Bonds and may issue and deliver such Additional Bonds, in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of Section 3.06, and subject to the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) Such Additional Bonds shall have been authorized to finance the completion of the Project or an addition to the Project, and the issuance thereof shall have been determined and declared by the Authority, in a supplemental resolution, to be necessary for that purpose.

(b) The Authority shall be in compliance with all covenants and undertakings set forth in this Resolution.

(c) The supplemental resolution authorizing issuance of such Additional Bonds shall require that the proceeds of the sale of such Additional Bonds shall be applied solely for the completion of the Project or an addition thereto and expenses and costs incidental thereto, including costs and expenses incident to the issuance and sale of such Additional Bonds and interest on said Additional Bonds during the actual period of completion of the Project or such addition, and for a period of not to exceed twelve months thereafter.

(d) Such Additional Bonds shall be equally and ratably secured with all other bonds herein authorized, without preference or priority of any of the Bonds over any other Bonds, except as expressly provided in this Resolution.

(e) The Authority shall have entered into a revised sublease with the City in and by which the City obligates itself to increase the payments of Base Rental and Additional Rental to the Authority for the use of the Project at the times and in the amounts sufficient to provide for the payment of the principal of and interest on such Additional Bonds as such principal and interest become due.

(f) Provision shall be made for the Reserve Fund to be increased to an amount equal to one-half the increased Base Rental payment required by subsection (e) of this Section 3.05, either from (i) the proceeds of the Additional Bonds or from (ii) the first full year Base Rental payment under the revised sublease, assuming that construction of the additional facilities to be financed by such Additional Bonds will be completed in the time provided in the construction contract therefor, or from (iii) both (i) and (ii), above.

(g) There shall be placed in the Revenue Fund at least an amount of bond proceeds equal to the interest which will become due on the Additional Bonds prior to the time the first full Base Rental payment will become due under the revised sublease, less the amount of any pro-rata payment of Base Rental which will be available to pay interest on the Additional Bonds under the revised sublease, assuming that construction on the additional facilities to be financed by such Additional Bonds will be completed in the time provided in the construction contract therefor.

SECTION 3.06. *Proceedings for the Issuance of Additional Bonds.* Whenever the Authority shall determine to issue Additional Bonds pursuant to Section 3.05, the Authority shall adopt a supplemental resolution determining that the issuance of such Additional Bonds is necessary for the completion of the Project or for an addition to the Project, specifying the principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof.

Such supplemental resolution shall prescribe the form or forms of such Additional Bonds and shall provide for the distinctive designation, denominations, methods of numbering, date, maturity dates,

interest rates, interest payment date, places of payment of principal and interest and whether such Additional Bonds are to be coupon bonds with or without provision for registration as to principal only or as fully registered bonds without coupons or a combination thereof, and shall also provide for the continuation of the Revenue Fund herein provided for and for the creation or continuation of appropriate retirement funds, interest funds, reserve funds, if any, and other funds applicable to, and required for the security of the Additional Bonds.

The Authority may by such supplemental resolution prescribe any other provisions respecting the Additional Bonds not inconsistent with the terms of this Resolution, including registration, transfer and exchange provisions, provisions for the payment of principal and interest.

Before such Additional Bonds shall be issued and delivered, the Authority shall file the following documents with the Trustee:

(a) A resolution of the Authority finding that the issuance of such Additional Bonds is necessary to provide for the completion of the Project or for an addition to the Project, and setting forth the estimated cost of completion thereof and the estimated date of completion thereof.

(b) The supplemental resolution authorizing such Additional Bonds.

(c) An Opinion of Counsel setting forth (1) that he has examined the supplemental resolution; (2) that the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the Authority; (3) that the issuance of the Additional Bonds is authorized by the Act; (4) that said Additional Bonds, when duly executed and delivered by the Authority, will be valid and binding obligations of the Authority, payable from Revenues in accordance with the terms of this Resolution and the supplemental resolution authorizing the issuance of such Additional Bonds.

(d) An executed counterpart of the revised sublease satisfying the requirements of Section 3.05(f) hereof.

(e) A Certificate of the Trustee certifying that the requirements set forth in Section 3.05 have been either met or provided for, together with a copy of the revised Sublease to the City required by said section.

SECTION 3.07. *Validity of Bonds.* The validity of the authorization and issuance of any of the Bonds shall not be dependent on or affected in any way by (a) any proceedings taken by the Authority or its agents for the acquisition, construction or completion of the Project or any part thereof, or (b) any contracts made by the Authority or its agents in connection therewith, or (c) the failure to complete the Project or any part thereof.

ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01. *Terms of Redemption.* In the event of loss of, substantial damage to or condemnation of the whole or any substantial part of the Project, so as to render the same unusable, as more fully set out in Sections 6.01 and 6.12, all or any part of the Bonds at that time outstanding, may, at the option of the Authority, be called and redeemed prior to maturity on any succeeding date, upon payment of the redemption price as hereinafter set forth but only in the manner and only from the funds as hereinafter provided in Sections 6.04 and 6.12. If less than all Bonds are called pursuant to this paragraph, the Trustee shall determine a principal amount in each maturity to be called so that approximately equal annual debt service will prevail. Bonds to be then called in each maturity will be selected by lot.

Except as set forth in the preceding paragraph, Bonds maturing on or prior to July 1, 1987, are not subject to call and redemption prior to maturity. Bonds maturing on or after July 1, 1988, are subject to call and redemption prior to maturity, at the option of the Authority, as a whole, or in part, in inverse order of maturity and by lot within a single maturity, from funds derived by the

Authority from any source, on July 1, 1987, or on any interest payment date thereafter, upon payment of the redemption price as hereinafter set forth.

The redemption price for any Bond in the event of any call and redemption prior to maturity shall be equal to the principal amount thereof plus a premium equal to one-fourth of one percent ($\frac{1}{4}\%$) for each year or fraction of a year from the redemption date to the maturity date of the Bonds, but not to exceed five percent (5%), and accrued interest to the redemption date. The payment date on which Bonds are to be presented for redemption is herein sometimes called the "redemption date."

SECTION 4.02. *Selection of Bonds for Redemption.* The Governing Board may by resolution direct the call and redemption prior to maturity of Bonds by the Trustee in such amount as funds are available therefor and shall give notice to the Trustee of such redemption at least 45 days prior to the redemption date.

SECTION 4.03. *Notice of Redemption.* Notice of call and redemption prior to maturity (except as provided below) shall be given by publication at least once prior to the redemption date in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in The City of New York, New York, such publication to be not less than 30 nor more than 60 days before such redemption date. If any Bond called for redemption is fully registered, notice of redemption thereof shall also be mailed, not less than 30 nor more than 60 days prior to the redemption date, to each registered owner of such Bond, but neither failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds. The notice of redemption shall (a) state the redemption date; (b) state the redemption price; (c) state the numbers and date of maturity of the Bonds to be redeemed; provided, however, that whenever any call includes all of the outstanding Bonds of any maturity, the numbers of the Bonds need not be stated; (d) require that such Bonds be surrendered with all interest coupons maturing subsequent to the redemption date (except that no coupons need be surrendered on fully registered Bonds) at the place or places of redemption; (e) state, as to any fully registered Bonds redeemed in part only, the registered bond numbers and the principal portion thereof to be redeemed; and (f) state that interest on the Bonds on the principal portion thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal amount thereof to be redeemed, interest accrued thereon to the redemption date and the premium thereon (such premium to be specified). If at the time of giving notice of redemption no Bonds are outstanding except fully registered Bonds, publication of such notice shall be deemed to have been waived if such notice shall have been mailed by registered or certified mail to each registered owner of such Bonds at his address as it appears on the registration books or at such address as he may have filed with the Trustee for that purpose.

The actual receipt by the Holder of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the redemption date. Notice of redemption of Bonds shall be given by the Trustee for and on behalf of the Authority at the expense of the Authority.

A certificate by the Trustee that notice of call and redemption has been given as herein provided shall be conclusive as against all parties, and no Bondholder whose Bond or registered Bond is called for redemption may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that he failed to receive actual notice of call and redemption.

SECTION 4.04. *Partial Redemption of Registered Bond.* Upon surrender of any fully registered Bond without coupons redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond

surrendered and of the same interest rate or rates and same maturity or maturities which new Bond or Bonds may be, at the option of the registered owner, either a coupon Bond or Bonds with all unmatured coupons appertaining thereto or a fully registered Bond or Bonds without coupons. The registered owner of any fully registered Bond without coupons may, in lieu of surrendering such Bond for a new Bond, endorse on the reverse of such Bond a notation of such partial redemption, in such forms as may be satisfactory to the Authority and the Trustee and under such conditions as the Trustee may approve. Such partial redemption shall be valid upon payment of the amount thereby required to be paid to such registered owner, and the Authority and the Trustee shall be released and discharged from all liability to the extent of such payment, irrespective of whether such endorsement shall or shall not have been made upon the reverse of such fully registered Bond by such registered owner and irrespective of any error or omission in such endorsement.

SECTION 4.05. *Redemption Fund.* Prior to the publication in Section 4.03 hereof, the Trustee shall establish, maintain and hold in trust a separate fund which is hereby created for the purpose of this Resolution entitled "Redemption Fund," and there shall be set aside in the Redemption Fund moneys for the purpose and sufficient to redeem, at the premiums payable as in this Resolution provided, if any, the Bonds designated in such notice of redemption. Said moneys must be set aside in said fund solely for that purpose and shall be applied on or after the redemption date to the payment (principal and premium, if any) of the Bonds to be redeemed upon presentation and surrender of such Bonds and (except as to fully registered Bonds) all interest coupons maturing after the redemption date. Any interest coupon due on or prior to the redemption date shall be paid from the Interest Fund upon presentation and surrender thereof. Any interest due on or prior to the redemption date upon fully registered Bonds shall be paid from said Interest Fund. Each coupon Bond presented must have attached thereto or presented therewith all interest coupons maturing after the redemption date.

SECTION 4.06. *Effect of Redemption.* Notice of redemption having been duly given as aforesaid, and moneys for payment of the principal of and interest and premium payable upon redemption of the Bonds being set aside in the Redemption Fund, the Bonds so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds so called for redemption shall cease to accrue, the coupons for interest thereon maturing subsequent to the redemption date shall be void, and said Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All unpaid interest installments represented by coupons which shall have matured on or prior to the date of redemption designated in such notice shall continue to be payable to the respective Holders thereof but without interest thereon.

All Bonds fully redeemed pursuant to the provisions of this Article IV and the appurtenant coupons, if any, shall be cancelled upon surrender thereof and delivered to, or upon the order of, the Authority.

ARTICLE V

USE OF REVENUES

SECTION 5.01. *Revenue Fund.* All Revenues shall be immediately deposited with the Trustee and the Trustee shall credit said moneys to a special fund, designated as the "Revenue Fund." All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders from time to time of the Bonds and the coupons appertaining thereto, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

SECTION 5.02. *Allocation of Moneys in Revenue Fund to Special Funds.* The Trustee shall transfer from the Revenue Fund the following amounts at the times and in the manner hereinafter provided for,

and shall deposit such amounts, in the following order of priority, in the following respective funds (which, except for initial payments from bond proceeds, are derived from the Revenue Fund and are subdivisions thereof) each of which Funds shall be disbursed and applied only as herein authorized:

(a) *Interest Fund.* On or before March 31, 1978, the Trustee shall deposit in the Interest Fund hereby established (the initial payment into which is provided for in Section 3.03) a sum sufficient, together with the balance then on hand in said fund, to pay the six months' interest becoming due on the Bonds on July 1, 1978. On or before July 31 of each year beginning July 31, 1978, the Trustee shall deposit a sum sufficient, together with the balance on hand in said fund, to pay the 12 months' interest becoming due on the Bonds on the next January 1 and July 1, respectively. No payment need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due in the next ensuing 12 months payment period upon all of the Bonds then outstanding. Moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable or transferring such moneys to the Paying Agents for that purpose.

(b) *Retirement Fund.* On or before July 31 of each year, beginning after the initial Base Rental under the Lease is paid, the Trustee shall deposit in the Retirement Fund hereby established a sum sufficient, together with the balance then on hand in said fund, to pay the aggregate amount of principal of the outstanding bonds maturing on the next succeeding July 1. No payment need be made into the Retirement Fund if the amount contained therein is at least equal to such maturity of principal next becoming due. Moneys in the Retirement Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal on the Bonds as it shall become due and payable or transferring such moneys to the Paying Agents for that purpose.

(c) *Reserve Fund.* The Trustee shall deposit in the Reserve Fund (the initial payment into which is provided for in Section 3.03) such amounts as may be necessary to maintain on deposit in the Reserve Fund an amount equal to one-half the annual Base Rental payment. The moneys in the Reserve Fund shall be applied solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Resolution), or for the purpose of paying the principal of the Bonds at their maturities, to the extent that there are insufficient moneys available for such purposes in the Interest Fund, the Retirement Fund or in the Revenue Fund. An amount equal to one-half the annual Base Rental payment shall be maintained at all times in the Reserve Fund by payments from the Revenue Fund from time to time as may be necessary, and any deficiency therein may be made up from time to time from the Revenue Fund. In each of the years prior to completion of construction of the Project, any moneys in excess of one-half the annual Base Rental payment then in the Reserve Fund shall be transferred to the Construction Fund, and thereafter any moneys in excess of one-half the annual Base Rental payment in the Reserve Fund shall, on August 1 of each year, be transferred to the Revenue Fund. No payment need be made into the Reserve Fund if and when the aggregate amount of the moneys on deposit therein equals one-half the annual Base Rental payment. Moneys in the Reserve Fund may be used to pay the principal of and/or interest on the last maturity or maturities of Bonds outstanding.

(d) *Working Capital Fund.* Commencing after the initial Base Rental under the Lease is paid and thereafter following each July 31, provided that the transfers to the Interest Fund and the Retirement Fund have been made, and the amount required to pay principal and interest on the Bonds in any succeeding year based upon the amount of Base Rental payments provided therefor have been retained, the Trustee shall deposit in the Working Capital Fund, to the extent available, sums sufficient for the payment of:

(i) All taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Project or upon the Authority's interest therein or upon the Authority's operation thereof or the Authority's rental income derived therefrom.

(ii) All expenses (not otherwise paid or provided for out of the proceeds of the sale of Bonds of the Authority) incidental to the issuance of the Bonds and all administrative costs of the Authority, including but without limiting the generality of the foregoing, salaries, wages, expenses, compensation and indemnification of the Trustee under this Resolution, fees and charges of auditors, accountants, architects, attorneys and engineers, and all other necessary administrative charges of the Authority or charges required to be paid by it in order to comply with the terms of the Bonds or of this Resolution and to defend the Authority and its members.

(iii) Insurance premiums, if any, on all insurance required or permitted under the provisions of Section 8 of the Lease, or otherwise.

(iv) All costs and expenses which the Authority may incur in consequence of or because of any default by the City under the Lease, including reasonable attorneys' fees and costs of suit or action at law to enforce the terms and conditions of the Lease.

(v) All sums necessary to maintain an amount of \$1,000 in the Working Capital Fund.

The Trustee shall, pursuant to subsection (b) of Section 4 of the Lease, bill the City for any balance of the amounts due to pay any of the foregoing items of Additional Rental when the same become due and, upon receipt of same, deposit such amounts in the Working Capital Fund.

(e) *Operation and Maintenance Fund.* If at any time the Authority shall operate the Project by reason of default by the City, the Trustee shall deposit in the Operation and Maintenance Fund hereby established, whose priority shall be the same as the Working Capital Fund, all amounts which shall be required to provide for the payment of all costs of maintenance and operation of the Project, including costs of repairs and replacements, labor costs and insurance. In such event, moneys in the Operation and Maintenance Fund shall be disbursed by the Trustee to pay such costs upon the written request of the Authority.

Any moneys in the Revenue Fund on August 1, 1978 or on each August 1 thereafter, except: (1) amounts transferred for the purposes aforesaid and (2) amounts required to pay principal and interest on the Bonds in any succeeding year based upon the amount of Base Rental payments provided therefor, shall be declared surplus and may be used and applied by the Trustee at the direction of the Authority, (a) to purchase Bonds, provided that Bonds shall not be purchased at a price in excess of the then current redemption price or in excess of the maximum redemption price if the Bonds are not then subject to redemption, or (b) to be transferred to the Redemption Fund and be used to call and redeem Bonds prior to maturity, or (c) to be transferred to the Construction Fund to be set aside and accumulated therein for future changes, alterations and additions to the Project which the Authority may from time to time deem desirable or (d) to reimburse the City for any Base or Additional Rental previously paid.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. *Punctual Payment.* The Authority shall punctually pay or cause to be paid the principal and interest (and premium, if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Resolution, and it shall faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and all supplemental resolutions and of the Bonds.

SECTION 6.02. *Against Encumbrances and Sale.* The Authority covenants that, subject to the Lease, the Project or any part thereof, or any real or personal property essential to the operation thereof, shall not be mortgaged or otherwise encumbered, sold, leased, pledged, any charge placed thereon, or disposed of as a whole or substantially as a whole unless such sale or other disposition be so arranged

as to provide for a continuance of payments into the Revenue Fund sufficient in amount to permit payment therefrom of the principal of and interest on and premiums, if any, due upon the call and redemption thereof, of the Bonds and any Additional Bonds, payment of which is required to be made out of the Revenues, and also to provide for such payments into the funds as are required under the terms of this Resolution. The Revenues shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of this Resolution. The Authority further covenants that it will not enter into any agreement which impairs the operation of the Project or any part of it necessary to secure adequate revenues to pay the principal and interest of the Bonds or which otherwise would impair the rights of the Bondholders with respect to the Revenues or the operation of the Project. If any substantial part of the Project is sold, the payment therefor shall either be used for the acquisition or construction of improvements and extensions of the Project or shall be placed in the appropriate funds and shall be used to pay or call and redeem said Bonds and Additional Bonds in the manner provided in this Resolution and any supplemental resolution.

SECTION 6.03. *Construction of Project.* The Authority shall, or shall cause its agent or agents to, acquire and construct the Project in conformity with the Construction Contract and with all expedition practicable.

The Authority covenants that it has all right, title and interest in and to the performance bonds and the labor and materialmen's bonds provided for in the Construction Contract, and that, with the approval of the sureties named in said bonds, it has assigned or shall assign said performance bonds and labor and materialmen's bonds to the Trustee, and hereby agrees to deposit any proceeds therefrom with the Trustee for deposit in the Construction Fund.

SECTION 6.04. *To Maintain Insurance.* The Authority shall secure or cause to be secured on a continuous basis so long as any of the Bonds are outstanding a policy or policies of insurance against loss or damage to the Project resulting from perils set forth below and other perils as the Authority and the City may agree should be insured against on forms and in amounts satisfactory to each. Provided such insurance is available from reputable insurers, and except as otherwise specified, such insurance shall be maintained in an amount not less than the full insurable value of the Project or the amount of the Authority's outstanding Bonds, whichever amount is less, but such insurance shall not contain provisions for co-insurance by the Authority. The term "full insurable value" as used in this Section shall mean the actual replacement cost "new" (including the cost of restoring the surface of grounds owned or leased by the Authority but excluding the cost of restoring trees, plants and shrubs) less physical depreciation. Said "full insurable value" shall be determined from time to time but not less frequently than once in every 36 months by independent appraisal. Perils to be insured against are as follows:

(a) Against fire, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage";

(b) Against war risks, as and when such insurance is obtainable from insurance companies established by the United States of America or any agency thereof, in amount not less than 80% of the then full insurable value thereof;

(c) Against loss or damage from leakage of sprinkler systems now or hereafter installed therein;

(d) Against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed therein;

(e) Against earthquake damage subject to deductible conditions not to exceed 10% for any one loss;

(f) Against use and occupancy or rental interruption resulting from any or all of the foregoing perils in an amount equal to not less than one year's Base Rental due from the City under the Lease;

(g) Against claims for bodily injury or death, or damage to property occurring upon, in or about the property covered by the Resolution, such insurance to afford protection to a limit of not less than \$250,000 with respect to bodily injury or death to any one person, not less than \$1,000,000 with respect to bodily injury or death to any number of persons in any one accident, and property damage liability insurance in an amount not less than \$50,000; and

(h) Against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California (or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workmen's compensation insurance to cover all persons employed in connection with the Project and to cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death during or in connection with the Project or the business of the Authority.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California.

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least 10 days prior written notice to the Authority and the Trustee. Certified copies of such policies shall be deposited with the City and the Trustee by the Authority, together with appropriate evidence of payment of the premiums therefor; and, at least 10 days prior to the expiration dates of expiring policies or contracts held by the Authority, certified copies of renewal or new policies on contracts or certificates, shall be deposited with the City and the Trustee.

All proceeds of insurance with respect to loss or damage to the property shall be paid to the Authority. Upon payment thereof to the Authority, and upon the determination by the Authority as provided in the Lease, (1) if the Project is to be repaired or rebuilt, the Authority shall deposit the same in the Construction Fund for application as provided with respect to moneys in such fund or (2) if the Project is not to be repaired or rebuilt, the Authority shall deposit the same in the Bond Redemption Fund for application as provided for moneys in such fund.

SECTION 6.05. *Discharge of Claims.* In order to fully preserve and protect the priority and security of the Bonds, the Authority shall pay from the proper fund and discharge or cause to be discharged all lawful claims for labor, materials and supplies furnished for or in connection with the Project which, if unpaid, may become a lien or charge upon the Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The Authority shall also, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon the Project or upon the Revenues, after the same has become due and payable, except that the Authority may, in good faith, contest any such tax, assessment or governmental charge, as well as any lawful claim for labor, materials or supplies for work completed or material or supplies furnished which, if unpaid, might by law become a lien or charge upon the Revenues or the Project, or which might impair the security of the Bonds.

SECTION 6.06. *Financial Reports.* Within 120 days after the close of each Fiscal Year, the Trustee shall furnish to the Authority, and to any Bondholder who shall make written request therefor prior to the close of such Fiscal Year, detailed certified reports of audit, based on an examination in accordance with generally accepted auditing standards, prepared by an independent public accountant, covering the operations of the Authority for the next preceding Fiscal Year showing the revenues and expenses for such period and the types and amounts of insurance coverage in force for such period and the expiration dates thereof. Such audit report shall include statements of the status of each fund pertaining to the Bonds or the Project, showing the amount and source of deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of the Fiscal Year.

SECTION 6.07. *Maintenance of Paying Agents.* The Trustee, subject to the approval of the Authority, shall appoint and at all times have Paying Agents for the payment of the principal of, and the interest (and premium, if any) on, the Bonds in each of the places mentioned in Section 2.02. It shall be the duty of the Trustee to make such credit arrangements with such Paying Agents as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of the principal of, and interest (and premium, if any) on, the Bonds presented at any place of payment specified herein.

SECTION 6.08. *Collection of Rentals.* The Authority shall, if at any time it is operating the Project by reason of default by the City, promptly collect all rents and charges due for the occupancy or use of the Project as the same become due, and shall promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. The Authority shall at all times maintain and vigorously enforce all of its rights under the Lease.

SECTION 6.09. *Amendment of Lease.* The Authority shall not consent to the amendment, alteration or modification, in whole or in part, of the Lease, except (a) with the written consent of the Trustee, if, in the opinion of the Trustee, such amendment, alteration or modification does not materially adversely affect the rights of the Holders of the Bonds, (b) as may be necessary in connection with the issuance of Additional Bonds pursuant to the provisions of this Resolution, or (c) with the written consent of the Holders of 60% in aggregate principal amount of the Bonds then outstanding, exclusive of Bonds owned by the Authority or any parties to the Agreement. Any such written consent shall be obtained in the manner provided herein, except that, in cases where no supplemental resolution is provided for, the Authority shall adopt a resolution expressing its consent to the amendment, alteration or modification involved.

SECTION 6.10 *Maintain and Preserve the Project.* The Authority shall, or shall cause the City as lessee under the Lease or the Authority's agents or lessees in the case of default, to operate, maintain and preserve the Project in good repair and working order and to operate the Project in an efficient and economical manner; provided, however, that in the case of default the Authority or its agents or lessees, with the consent of the City, may lease or rent the Project or any part thereof, or otherwise provide for the operating of the Project or any part thereof.

SECTION 6.11. *Prosecution and Defense of Suits Relating to Title.* The Authority hereby agrees that it shall upon request of the Trustee promptly from time to time take such action as may be necessary and proper to remedy or cure any defect in or cloud upon the title to the Project or any part thereof, whether now existing or hereafter developing, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose.

SECTION 6.12. *Eminent Domain.* The Trustee, upon receipt of any moneys as the result of the condemnation of all or any part of the Project which results in a partial abatement of rent, shall deposit the same in the Redemption Fund created by Section 4.05 and said moneys shall be used as provided in Section 11 of the Lease.

SECTION 6.13. *Maintenance of Revenues.* The Authority shall, if it should operate the Project by reason of default by the City, fix, prescribe and collect rentals or other charges in connection with the services and facilities furnished from the Project sufficient to pay principal of and interest on the Bonds as they become due, together with all expenses of operation, maintenance and repair of the Project; provided, however, that all rentals or other charges in connection with the services and facilities furnished by the Project shall be subject to such provisions, if any, relative thereto as may be contained in the Agreement.

SECTION 6.14. *City Budgets.* In the event of a failure by the City to perform its covenants relating to budgeting under Section 4(d) of the Lease, the Authority shall promptly take such action as may be necessary to cause such annual budget or appropriation resolution to be amended, corrected or augmented so as to include therein amounts required to be raised by the City in the ensuing fiscal year for the payment of rentals due under the Lease and shall notify the Trustee of the proceedings then taken or proposed to be taken by the Authority. The Authority shall keep the Trustee advised of all proceedings thereafter taken by the Authority.

SECTION 6.15. *Limits on Additional Debt.* The Authority covenants that:

(a) No additional indebtedness evidenced by revenue bonds, revenue notes or any other evidences of indebtedness payable out of the Revenues shall be issued pursuant to said Bond Act or any other law of the State of California having any priority in payment of principal or interest out of the Revenues over the Bonds authorized by this Resolution.

(b) No Additional Bonds shall be issued, except pursuant to Sections 3.05 and 3.06 and subject to the limitations thereof, and ranking on a parity with these Bonds.

(c) No refunding bonds, revenue notes or any other evidences of indebtedness payable out of the Revenues shall be issued to refund a part of the Bonds authorized by this Resolution unless (i) the Authority shall have entered into a lease or revised lease with the City in and by which the City obligates itself to make payments of Base Rental to the Authority for the use of the Project at the times and in the amounts sufficient to provide for the payment of the principal of and interest on Bonds and refunding bonds outstanding after such refunding as such principal and interest become due; and (ii) the Authority shall have created a reserve fund upon the issuance of refunding bonds so that said reserve fund contains at all times an amount equal to one-half the revised Base Rental payment required by clause (i) of this subparagraph (c).

SECTION 6.16. *No Arbitrage.* Neither the Trustee or the Authority will make any use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of issue, would have caused the Bonds to be arbitrage bonds. The Trustee and the Authority will comply with the requirements of Section 103(c) of the Internal Revenue Code of 1954 and the regulations adopted by the Department of the Treasury pursuant thereto.

SECTION 6.17. *Further Assurances.* The Authority shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Resolution.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 7.01. *Moneys Deposited To Be Held in Trust.* All moneys deposited under the provisions of this Resolution with the Trustee shall be held in trust and applied only in accordance with the provisions of this Resolution, and shall not be subject to lien or attachment by any creditor of the Authority, other than the lien of the Holders of the Bonds issued pursuant to and secured by this Resolution.

SECTION 7.02. *Security for Deposits.* Except as provided in Section 7.03 hereof, all moneys held hereunder by the Trustee shall be held in time or demand deposits and shall be continuously and fully secured at all times by such obligations and to the fullest extent as shall be required by law for public deposits, except to the extent that moneys are invested as hereinafter provided.

SECTION 7.03. *Investment of Funds.* Moneys held in any fund created hereunder shall be invested with reasonable diligence by the Trustee in Authorized Investments to the extent permitted by law for public funds or held or deposited pursuant to Section 7.02 hereof but only in such manner as shall be consistent with the provisions of Section 6.16 hereof. All such investments shall mature not later than the date or dates when the moneys held in such funds will be required for the purposes in this Resolution, provided that investments of moneys held in the Reserve Fund shall mature not later than the final maturity date of the Bonds.

SECTION 7.04. *Investments and Income as Part of Funds; Liquidation.* Moneys in any fund created hereunder shall be deemed at all times to be a part of such fund and the interest and income accruing thereon and any profit realized from the liquidation of any such investment shall be credited to such fund and any loss resulting from the liquidation of any such investment shall be charged to such fund, except as otherwise herein expressly provided. For the purposes of any such investment, obligations shall be deemed to mature at the earliest date on which the obligor is on demand irrevocably required to pay a fixed sum in discharge of the whole of such obligations.

In computing the balance in any such fund, obligations shall be valued at the cost value thereof.

The Trustee shall sell at the best price obtainable, or present for redemption, any obligations so purchased as an investment whenever it shall be requested in writing by the Authority to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any such fund. The Trustee shall not be liable or responsible for making any investment or for any loss resulting therefrom, if such investment is made in conformity with this Resolution. The Trustee shall advise the Authority in writing, when reasonably requested to do so, of the details of all investments held for the credit of any such funds in the custody of the Trustee under the provisions of this Resolution at the end of the preceding month.

ARTICLE VIII

CONCERNING THE TRUSTEE

SECTION 8.01. *Initial Appointment and Acceptance of Trusts by Trustee.* United California Bank is hereby appointed Trustee. By accepting such appointment, the Trustee accepts and agrees to execute the trusts imposed upon it by this Resolution, but only upon the terms and conditions and subject to the provisions of this Resolution, to all of which the parties hereto and the respective Holders of the Bonds agree. All funds created under this Resolution shall be held by the Trustee and administered as trust funds as herein provided.

SECTION 8.02. *Absence of Responsibility of Trustee.* The Trustee shall be under no obligation to effect or maintain insurance, or to renew any policies of insurance, or to inquire as to the sufficiency of any policies of insurance carried by the Authority under the Lease. The Trustee shall not have any responsibility in respect of the validity or sufficiency of this Resolution or the due execution or acknowledgment thereof by the Authority, or in respect of the validity of any Bonds authenticated and delivered by the Trustee in accordance with the provisions of this Resolution, or of the coupons appertaining thereto. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate on the fully registered Bonds) shall be taken and construed as made by and on the part of the Authority and not by the Trustee and the Trustee does not assume nor shall it be under any responsibility for the correctness of the same.

SECTION 8.03. *Trustee Not Responsible for Actions of Authority.* The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its officers, employees or agents to make any collections or deposits, or to perform any act herein required of the Authority or its officers, directors, employees or agents. The Trustee shall not be responsible for the application of any of the

proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 8.04. *Compensation of Trustee.* Subject to the provisions of any contract between the Authority and the Trustee, the Authority shall pay to the Trustee, in the manner provided in this Resolution, reasonable compensation for all services performed by it hereunder, and also all of its reasonable expenses, charges and other disbursements and those of its attorneys, agents, and employees incurred in and about the acceptance, administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and shall indemnify and hold the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder. Notwithstanding the foregoing, the Trustee agrees that so long as there is no default hereunder the Trustee shall be entitled to receive for all services hereunder or in connection herewith a reasonable fee to be computed as set forth in a separate contract.

SECTION 8.05. *Duties and Responsibilities of Trustee.* The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Resolution. The Trustee shall exercise such of the rights and powers vested in it by this Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct.

SECTION 8.06. *Certain Rights of Trustee.* The Trustee

(a) may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) may consult with counsel and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such opinion;

(c) shall be under no obligation to exercise any of the rights or powers vested in it by this Resolution at the request, order or direction of any of the Bondholders, pursuant to the provisions of this Resolution, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(d) shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Resolution.

SECTION 8.07. *Eligibility for Appointment as Trustee.* The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or the State of California authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$60,000,000, subject to supervision or examination by Federal or State authority and having its principal office and place of business in the State of California. If such corporation publishes reports of its condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this section, the Trustee shall resign immediately in the manner and with the effect below specified.

SECTION 8.08. *Resignation and Removal; Appointment of Successor Trustee.* (a) The Trustee, or any trustee hereafter appointed, may at any time resign by giving written notice of resignation to the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor trustee (which may, but shall not be required to be the Controller and/or Treasurer of the Authority to exercise the duties of Trustee if permitted by subsection (c) of this Section) by written instrument, in duplicate, executed by order of the Authority, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide Holder of a Bond or Bonds for at least six months may on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor trustee.

(b) In case at any time any of the following shall occur —

(i) The Trustee shall cease to be eligible and shall fail to resign after written request therefor by the Authority or by any such Bondholder, or

(ii) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Authority may remove the Trustee and appoint a successor trustee (which may, but shall not be required to be the Controller and/or Treasurer of the Authority if permitted under subsection (c) of this section) to exercise the duties of the Trustee by written instrument, in duplicate, executed by order of the Authority, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or any Bondholder who has been a bona fide Holder of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Authority may appoint the Controller and/or Trustee of the Authority to exercise the duties of the Trustee if:

(i) The Trustee or any successor trustee cannot legally perform the duties required hereunder because of the occurrence of either of the following, subsequent to the effective date of this Resolution: (aa) the enactment of any constitutional provision, law, rule or regulation of any governmental agency having jurisdiction thereof, or (bb) any judicial decision, whether or not involving this Resolution, which is applicable to this Resolution and the Trusteeship created hereunder.

(ii) The services of the Trustee or any successor trustee cannot be obtained at a reasonable cost. Such reasonable cost shall be determined by comparing like costs charged by financial institutions similarly situated in the United States performing duties of a comparable nature.

(d) The Holders of a majority in aggregate principal amount of the Bonds at the time outstanding may at any time remove the Trustee and appoint a successor trustee; provided, however, (i) such successor shall be eligible for appointment under this Resolution, and (ii) the fees of the successor trustee shall be within the amounts budgeted therefor by the Authority, and (iii) that if the Authority objects to the successor trustee it may appoint a successor trustee (which may, but shall not be required to be, the Controller and/or Treasurer of the Authority if permitted under subsection (c) of this section) to exercise the duties of Trustee.

(e) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this section shall become effective upon notice of or acceptance of appointment by the successor trustee as provided below.

SECTION 8.09. *Acceptance of Appointment by Successor Trustee.* Any successor corporate trustee appointed as above provided shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment hereunder, and, if the Controller and/or Treasurer are appointed to exercise the duties of the Trustee hereunder, the Authority shall notify such officer or officers; and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Authority or of the successor trustee, the Trustee ceasing to act shall, upon payment of its charges then unpaid, execute, acknowledge and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Authority shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it.

The Trustee ceasing to act shall upon such vesting thereafter be fully relieved and discharged of and from all further liability or responsibility either to the Authority or to the Holders of the then outstanding Bonds except to the extent of liability, if any, arising prior to such vesting in the successor trustee.

SECTION 8.10. *Merger or Consolidation of Trustee.* Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor trustee hereunder, provided such corporation shall be eligible, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 8.11. *Requirements as to Trustee's Records.* The records of the Trustee pertaining to the Bonds and to the Trustee hereunder shall be available to and open for inspection at all times by the Authority, the City, the County and any other public body, agency or commission having jurisdiction, and the Trustee shall retain in its possession all financial statements furnished to it pursuant to this Resolution.

SECTION 8.12. *Annual Reports.* On the 15th day of August of each year or on such other date as may be set by the Authority from time to time the Trustee shall verify and report in writing to the Treasurer the amount of money he holds pursuant to this Indenture, the amount of receipts pursuant thereto since the last such report and the amount paid out by it thereunder since the last such report.

ARTICLE IX

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 9.01. *Method of Execution of Instruments by Bondholders.* Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose

of this Resolution, and shall be conclusive, in favor of the Trustee with regard to any action taken under such instrument, if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(b) The fact of the holding of coupon Bonds by any Bondholder and the amount and the numbers of such Bonds and the date of his holding the same (unless such Bonds be registered) may be proved by the affidavit of the person claiming to be such Holder, if such affidavit shall be deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice of the contrary is served upon the Trustee. The ownership of registered Bonds shall be proved by the registration books kept by the Trustee under the provisions of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Treasurer in pursuance of such request or consent.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

SECTION 10.01. *Without Consent of Bondholders.* The Authority and the Trustee, may, from time to time and at any time, enter into such resolutions or agreements supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions or agreements shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Resolution or in any supplemental agreement,

(b) to grant or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or

(c) to provide for the issuance of Additional Bonds, as provided in Section 3.05 and Section 3.06 hereof.

SECTION 10.02. *With Consent of Bondholders.* Subject to the terms and provisions contained in this section, and not otherwise, the Holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds then outstanding (exclusive of issuer-owned Bonds) shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such resolutions or agreements supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution or agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or interest on any outstanding Bonds, or (b) a reduction in the principal amount or redemption price of any outstanding Bonds or the rate of interest thereon, or (c) a reduction in the aggregate principal amount of the Bonds required for consent to such a supplemental resolution or agreement. Nothing

herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any supplemental resolutions or agreements.

If at any time the Authority shall request the Trustee to enter into any supplemental resolution or agreement for any purposes of this section, the Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such supplemental resolution or agreement to be published in a daily financial journal or newspaper of general circulation in The City of New York, New York, and shall also cause a similar notice to be mailed, postage prepaid, (1) to all Holders of registered Bonds, registered other than to bearer, then outstanding, at their addresses as they appear on the registration books hereinabove provided for, (2) to such Bondholders as have, within two years preceding such transmission, filed their names and addresses with the Trustee for that purpose, and (3) to each Bondholder whose name and address the Trustee shall receive and preserve in its capacity as Paying Agent hereunder. Such notice shall briefly set forth the nature of the proposed supplemental resolution or agreement and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondholders. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail the notice required by this section, and any such failure shall not affect the validity of such supplemental resolution or agreement when consented to and approved as provided in this section.

Whenever at any time within one (1) year after the date of the first publication of such notice, the Authority shall deliver to the Trustee an instrument or instruments purporting to be executed by the Holders of not less than sixty percent (60%) in the aggregate principal amount of the Bonds then outstanding (exclusive of issuer-owned Bonds), which instrument or instruments shall refer to the proposed supplemental resolution or agreement described in such notice, and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental resolution or agreement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds outstanding at the time of the execution of such supplemental resolution or agreement (exclusive of issuer-owned Bonds) shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such supplemental resolution or agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental resolution or agreement pursuant to the provisions of this section, this Resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Authority and the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

If municipal bond guaranty insurance shall be issued by Municipal Bond Insurance Association on the Bonds, then no amendment, modification or waiver of any provision of this Resolution or the Bonds may be made which relates to the acceleration of the payment of the principal of or interest on the Bonds before the stated maturity thereof, without the prior written consent of Municipal Bond Insurance Association, and any such attempted amendment, modification or waiver without such consent shall be of no force and effect.

SECTION 10.03. *Approval by Counsel.* The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of Bond Counsel, as conclusive evidence that any such proposed supplemental resolution or agreement complies with the provisions of this Resolution, and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental resolution or agreement.

SECTION 10.04. *Approval by Authority and Bondholders.* Notwithstanding anything contained in the foregoing provisions of this Resolution, the rights and obligations of the Authority and of the Holders of the Bonds, and the terms and provisions of the Bonds, and this Resolution or any supplemental resolution or agreement, may be modified or altered in any respect with the consent of the Authority, the Trustee and the consent of the Holders of all of the Bonds then outstanding.

ARTICLE XI

DEFEASANCE

SECTION 11.01. *Payment of Bonds and Discharge of Resolution.* If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Bonds and coupons, the principal and interest and redemption price, if any, to become due thereon, then the pledge of and lien upon Revenues, the right, title and interest of the Bondholders, and all other rights granted hereby, shall thereupon cease, terminate and become void and be discharged and satisfied; provided that payment of any Bond or interest thereon by any insurer of such payment shall not constitute payment or discharge thereof within the meaning of this Section. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority, to be prepared and filed with the Authority, and the Trustee, upon the request of the Authority, shall release this Resolution and execute and deliver to the Authority all such instruments as may be desirable to evidence such release, discharge and satisfaction, and the Trustee and the paying agents shall pay over or deliver to the Authority all moneys or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds or coupons not theretofore surrendered for such payment or redemption.

SECTION 11.02. *Bonds, Coupons and Redemption Price Deemed to be Repaid.* Bonds or coupons for the payment and discharge of which upon maturity, or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise to insure the payment thereof, of money, or securities as permitted by law, sufficient for the purpose or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account of moneys, or securities as permitted by law, sufficient therefor with the Trustee or otherwise making adequate provisions including but not limited to net interest earned or to be earned on permitted investments, shall, as provided in Section 1.02, no longer be deemed to be outstanding and unpaid; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice; and provided, further, that, if the maturity or redemption date of any such Bond shall not have arrived, provision shall have been made by the Authority by deposit with the Trustee, or other method satisfactory to the Trustee, for the payment to the Holder of any such Bonds and coupons, upon surrender thereof, whether or not prior to the maturity or redemption date thereof, of the full amount to which they would be entitled by way of principal, redemption price or interest to the date of such maturity or redemption, and provision shall have been made by the Authority, satisfactory to the Trustee, for the publication, at least twice, at an interval of not less than seven days between publications, in a daily financial journal or daily newspaper of general circulation published in The City of New York, State of New York, of a notice to the Holders of such Bonds and coupons that such moneys are so available for such payment.

Moneys held for payment or redemption in accordance with the provisions of this section shall be deposited or invested by the Trustee pursuant to Article VII hereof to mature or be withdrawable, as the case may be, not later than the time when needed for such payment or redemption. Net interest earned on such investments shall remain in such special fund, if needed, or in lieu thereof shall be paid to the Revenue Fund.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 12.01. *Events of Default and Acceleration of Maturities.* If one or more of the following events (herein called "events of default") shall happen, that is to say

(a) if default shall be made in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) if default shall be made by the Authority in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Bonds contained, and such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time outstanding;

(d) if the Authority fails to bring suit or other legal proceedings against the City for failure by the City to budget, appropriate or pay the amounts due the Authority under the Lease and such failure continues for a period of 30 days after the City's failure to so budget, appropriate or pay; or

(e) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdictions shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

then and in each and every such case during the continuance of such event of default, the Trustee may, or the Holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, upon notice in writing to the Authority, shall be entitled to, declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Resolution or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Authority and to the Trustee, may, on behalf of the Holders of all of the Bonds, rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 12.02. *Suits at Law or in Equity and Mandamus.* The provisions of this Resolution and all resolutions or orders in the proceedings for the issuance of the Bonds shall constitute a contract with the Holders of the Bonds, and such contract may be enforced by any Bondholder by mandamus, injunction or other applicable legal action, suit, proceeding or other remedy.

SECTION 12.03. *Non-waiver.* No delay or omission of the Trustee or of any Holder of any of the Bonds or coupons to exercise any right or power arising upon the happening of any event of default

shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or to the Holders of Bonds may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Holders of Bonds.

SECTION 12.04. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee or to the Holders of Bonds is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01. *Liability of Authority Limited to Revenues.* Notwithstanding anything in this Resolution contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues, for the payment of the principal of or interest on the Bonds or for the maintenance and operation of the Project. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any other funds of the Authority which may be made available to it for such purposes.

SECTION 13.02. *Successor to Authority.* All of the covenants, stipulations, obligations and agreements contained in this Resolution by or in behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time, and any officer, board, corporation, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Section 13.03. *Notice.* Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the Authority or the County shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when delivered to or sent by registered mail, return receipt requested to:

City — City Clerk
City of Simi Valley
3200 Cochran Street
Simi Valley, California 93065

Authority — Secretary — At the same address with a
copy % Clerk of the Board of Supervisors
Ventura, California

Trustee — At its then principal office in Los Angeles, California or such address as Trustee shall designate in writing for such purpose.

All documents received by the Trustee under the provisions of this Resolution shall be retained in its possession, subject at all reasonable times to the inspection of the Authority, any Bondholder, and the agents and representatives thereof.

SECTION 13.04. *Severability.* In case any one or more of the provisions of this Resolution or of the Bonds or coupons shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of said Bonds or coupons, but this Resolution and said Bonds and coupons shall be construed and enforced as if such illegal or invalid provisions

had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation, or obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

SECTION 13.05. *Personal Liability.* No member of the Authority and no officer, agent or employee thereof, or of the City, shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 13.06. *Validity of Multiple Copies.* This Resolution may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

SECTION 13.07. *Headings.* Any headings preceding the texts of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

The foregoing Resolution is adopted by the Simi Valley Civic Center Authority this 31st day of May, 1977.

s/

Chairman

Simi Valley Civic Center Authority

[Seal]

Attest:

s/

Secretary

Simi Valley Civic Center Authority

IN WITNESS WHEREOF, Trustee has caused this Indenture (called Resolution) to be executed and its corporate seal affixed.

UNITED CALIFORNIA BANK

Trustee

Date of signing

By

s/

....., 1977

Attest:

s/

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Simi Valley Civic Center Authority, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a _____ meeting of the Governing Board of said Authority duly and regularly held at the regular meeting place thereof on the _____ day of _____, 1977, at which meeting all of the members of the Governing Board of said Authority had due notice and at which a majority thereof was present; and that at said meeting said Resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the foregoing Resolution with the original minutes of said meeting on file and of record in my office; that said Resolution is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said meetings; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand and the seal of the Simi Valley Civic Center Authority this _____ day of _____.

*Secretary of the Simi Valley
Civic Center Authority*

**SIMI VALLEY ADMINISTRATION FACILITIES
GROUND LEASE**

THIS LEASE, dated July 1, 1977 (the "Ground Lease") by and between the CITY OF SIMI VALLEY, a municipal corporation of the State of California (the "City"), and the SIMI VALLEY CIVIC CENTER AUTHORITY (the Authority"), a public entity and agency;

WITNESSETH :

WHEREAS, the City is the owner of certain real property in the County of Ventura (the "County") more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"); and

WHEREAS, the City, with the concurrence of the County, is of the opinion that the Site should be developed as part of a comprehensive civic center within the City by the construction of various governmental facilities, including a City Hall, Library and Cultural Center, together with parking facilities, walks and other appurtenant facilities as contemplated by that certain agreement entitled "Joint Exercise of Powers Agreement Between the City of Simi Valley and the County of Ventura Creating the Simi Valley Civic Center Authority", dated March 22, 1977 (the "Agreement");

Now, THEREFORE, in consideration of the payment of rental and the performance of the mutual promises and agreements herein contained, the parties hereto agree as follows:

SECTION 1. *Demised Premises.*

The City hereby leases to the Authority the Site, subject to the terms hereof and subject to any conditions, reservations, exceptions and rights of way which are of record.

The City and the Authority may make, from time to time, such modifications, alterations, amendments or additions to, or deletions from the Site as the City and the Authority mutually agree to be necessary and desirable to facilitate the use and development by the City or the Authority, their successors and assigns, of the Site, provided that the portions of the Site on which the Facilities, as defined in the Simi Valley Administration Facility Sublease (the "Sublease"), are located shall remain intact and subject to this Ground Lease and provided further that the City and the Authority hereby covenants not to agree to any modification, alteration, amendment or ad-

dition to or deletion from the Site which would revise the fair rental value of the Site and the Facilities, as defined in the Sublease, remaining subject to the Sublease to fall below the rental payable under the Sublease.

SECTION 2. *Ownership; Possession.*

The City covenants that it is the owner of the real property described in Exhibit A hereof. The City shall forthwith upon execution hereof deliver to the Authority possession of the Site described in Exhibit A hereto.

SECTION 3. *Term.*

This Ground Lease shall commence on the date hereof and end on July 8, 2012, or one week after the end of the term of the Sublease or such earlier time as the Agreement terminates.

SECTION 4. *Rent.*

The Authority shall pay to the City an advance rent of \$1.00 as full consideration for this Ground Lease over its term.

SECTION 5. *Purpose.*

The Authority shall use the Site for the purposes described in the Agreement and for such purposes as may be incidental thereto.

SECTION 6. *Assignments and Subleases.*

The Authority shall not assign or sublet the Site except as provided in the Sublease.

SECTION 7. *Right of Entry.*

The City and its designated representatives shall have the right to enter upon the Site during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the City's rights or obligations under this Ground Lease, or (iii) for all other lawful purposes.

SECTION 8. *Expiration.*

The Authority agrees that upon the expiration or termination of this Ground Lease, to quit and surrender the Site in good order and condition, reasonable wear and tear excepted, provided, that the

Facilities (as defined in the Sublease) existing upon the Site at the time of the termination of this Ground Lease shall remain therein and title thereto shall vest in the City free and clear of any interest of the Authority.

SECTION 9. *Quiet Enjoyment.*

The Authority at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy all of the Site.

SECTION 10. *Taxes.*

The City covenants and agrees to pay any and all taxes and assessments levied or assessed upon the Site.

SECTION 11. If the whole or any part of the Site shall be taken under the power of eminent domain, the effect of such taking upon this Ground Lease shall be in accord with the provisions of the Sublease relating to eminent domain.

SECTION 12. *Notices.*

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

City — City Clerk
 City of Simi Valley
 3200 Cochran Street
 Simi Valley, California 93065

Authority — Secretary — At same address with a copy
 c/o Clerk of the Board of Supervisors
 Ventura, California

SECTION 13. *Partial Invalidity.*

If any one or more of the terms, provisions, promises, covenants or conditions of this Ground Lease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction each and all of the remaining terms, provisions,

promises, covenants and conditions of this Ground Lease, and the application thereof to other persons or circumstances, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF SIMI VALLEY

By _____
Mayor

Attest:

By _____
City Clerk

SIMI VALLEY CIVIC CENTER
AUTHORITY

(Seal)

By _____
Chairman

Attest:

Secretary

(Seal)

I HEREBY APPROVE the form and legality of the foregoing Ground Lease this day of, 1977.

CITY ATTORNEY OF SIMI
VALLEY

As City Attorney and as Ex Officio
Attorney for the Simi Valley
Civic Center Authority

By _____

STATE OF CALIFORNIA }
COUNTY OF VENTURA } ss.

On the day of, 1977, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared, known to me to be the Chairman and, known to me to be the Secretary, respectively, of the Simi Valley Civic Center Authority, a public corporation that executed the within instrument on behalf of said body therein named, and acknowledged to me that such body executed the within instrument pursuant to a resolution of its governing board.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

Notary Public, State of California

STATE OF CALIFORNIA }
COUNTY OF VENTURA } ss.

On the day of, 1977, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared, known to me to be the Mayor and, known to me to be the City Clerk, respectively, of the City of Simi Valley, a body corporate and politic, that executed the within instrument on behalf of said body therein named, and acknowledged to me that such body executed the within instrument pursuant to an ordinance of the City Council of said City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

Notary Public, State of California

EXHIBIT A

(TO COME)

SIMI VALLEY ADMINISTRATION FACILITIES SUBLEASE

THIS SUBLEASE, dated July 1, 1977, by and between the SIMI VALLEY CIVIC CENTER AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an agreement entitled "Joint Exercise of Powers Agreement Between the City of Simi Valley and the County of Ventura Creating the Simi Valley Civic Center Authority", dated March 22, 1977, and the City of Simi Valley (the "City"), a municipal corporation of the State of California,

WITNESSETH:

That for and in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

Section 1. *Definitions.*

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Sublease, have the meanings herein specified.

Agreement

"Agreement" means that certain Agreement entitled: "Joint Exercise of Powers Agreement Between the City of Simi Valley and the County of Ventura Creating the Simi Valley Civic Center Authority", dated March 22, 1977 under and pursuant to which the Authority has been organized.

Bonds

"Bonds" means the revenue bonds to be issued by the Authority under and pursuant to the Resolution.

Construction Contract

"Construction Contract" means the construction contract or contracts providing for the construction of the Facilities, a copy of which is or will be on file in the office of the City Clerk.

Controller

"Controller" means the Controller of the Authority pursuant to the Agreement. Wherever the terms "Treasurer" and "Controller" are used herein, the use of such terms shall mean that such officers may have

duties to perform with regard to the particular subject matter but such officers may divide their duties to the extent permitted by law to carry out the purposes of this Sublease whether referred to in the conjunctive or not.

County

"County" means the County of Ventura.

Facilities

"Facilities" means the administration building, with facilities and appurtenances necessary or convenient therefor, as described in the Agreement and for which plans and specifications, including all addenda thereto (the "Plans and Specifications"), have been approved by the City and are on file in the office of the City. "Facilities" includes all of the Project except the Site.

Fiscal Year

"Fiscal Year" means the fiscal year as established from time to time by the City, being as of the date hereof the period from July 1 to and including the following June 30.

Ground Lease

"Ground Lease" means that certain Simi Valley Administration Facilities Ground Lease, dated July 1, 1977, by and between the City and the Authority.

Project or Leased Premises

"Project" means the Site and Facilities thereon, and is sometimes referred to as "Leased Premises".

Resolution

"Resolution" means the Resolution (attached hereto as Exhibit B) of the Authority providing for the issuance of the Bonds.

Site

"Site" means the land (described in Exhibit A attached hereto and made a part hereof) on which the Facilities are to be located.

Sublease

"Sublease" means this Simi Valley Administration Facilities Sublease.

Treasurer

"Treasurer" means the Treasurer of the Authority pursuant to the Agreement. Whenever the terms "Treasurer" and "Controller" are used herein, the use of such terms shall mean that such officers may have duties to perform with regard to the particular subject matter but such officers may divide their duties to the extent permitted by law to carry out the purposes of this Sublease whether referred to in the conjunctive or not.

Trustee

"Trustee" means the trustee appointed pursuant to the Resolution and referred to therein as "Trustee", and any successor as therein provided.

SECTION 2. *Sublease of Project.*

The Authority hereby subleases to the City the Site subject to conditions, reservations, exceptions and rights of way which are of record. The Authority hereby subleases to the City as part of this Sublease the Facilities to be constructed thereon.

SECTION 3. *Term.*

The term of this Sublease shall commence on the date hereof and shall end on July 1, 2012, or such earlier time as there are no Bonds outstanding or unpaid under the Resolution.

SECTION 4. *Rental.*

The City shall pay the Base Rental and the Additional Rental to the Authority in the amounts, at the times and in the manner set forth herein, said amounts constituting in the aggregate the total of the annual rentals payable under this Sublease, as follows:

(a) *Base Rental.* Commencing on the date on which the Facilities are substantially completed in accordance with the Plans and Specifications and written notice thereof has been served on the City by the Authority, or when the Facilities have been accepted by the City, or on March 1, 1978, whichever is latest, the City shall be obligated to pay to the Authority in advance for each Fiscal Year rent at the rate of \$..... per annum. Such rental shall be due on July 1 and shall be payable without penalty on or before July 15 in each Fiscal Year for use of the premises during said Fiscal Year. In the event that the liability of the the City for rent at said rate does not commence on

the beginning of the Fiscal Year, the rent to be paid for the remaining portion of the Fiscal Year in which such liability commences shall be prorated and shall be payable without penalty within 30 days following commencement of such liability, but in no event later than the next succeeding June 30.

If the Facilities have not been completed by March 1, 1978, but have been completed to the extent that the City may lawfully occupy and pay rent for a portion of the Project, then City shall be obligated to pay to the Authority in advance for each Fiscal Year rent at a rate to be mutually agreed upon by the parties hereto, said rent not to exceed the fair rental value of the occupied portion of the Project.

(b) *Additional Rental.* In addition to the Base Rental hereinabove set forth, and as part of the total rent during each Fiscal Year during the term of this Sublease, the City shall pay to the Authority an amount or amounts (hereinafter called "Additional Rental") for the Fiscal Year of the City to which the following items apply or relate, equivalent to the sum of the following:

(i) All taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Project or upon the Authority's interest therein or upon the Authority's operation thereof or the Authority's rental income derived therefrom.

(ii) All administrative costs of the Authority, including, without limiting the generality of the foregoing, salaries, wages, expenses, compensation and indemnification of the Trustee, Treasurer or Controller, if any, fees and charges of auditors, accountants, architects, attorneys and engineers, and all other necessary administrative charges of the Authority or charges required to be paid by it in order to comply with the terms of the Bonds or of the Resolution and to defend the Authority and its members.

(iii) Insurance premiums, if any, on all insurance required or permitted under the provisions of Section 8 hereof.

(iv) All costs and expenses which the Authority may incur in consequence of or because of any default by the City under this Sublease, including reasonable attorneys' fees and costs of suit or action at law to enforce the terms and conditions of this Sublease.

(v) All sums necessary to maintain at the amount of \$1,000 the Working Capital Fund established pursuant to the Resolution.

The Additional Rental payable hereunder shall be due on notice in writing from the Authority to the City stating the amount of Additional Rental then due and payable and the purpose thereof and shall be payable without penalty within 30 days after such notice; provided that the City's liability for Additional Rental shall be limited to the balance due under Section 5.02 of the Resolution. Nothing herein contained shall prevent the City from making contributions or advances to the Authority from time to time for any purpose now or hereafter authorized by law.

(c) *Consideration.* The payments of Base Rental and Additional Rental hereunder for each Fiscal Year of the term of this Sublease shall constitute the total rental for said Fiscal Year and shall be paid by the City for and in consideration of the right of use and occupancy, and the continued quiet use and enjoyment of the Leased Premises for and during said Fiscal Year, which the City receives. The parties hereto have agreed and determined that such total rental represents the fair rental value of the Leased Premises. In making such determination, consideration has been given to the costs of acquisition and financing the construction of the Facilities, the uses and purposes which will be served by the Facilities and the benefits therefrom which will accrue to the parties to the Agreement and the general public by reason of the Facilities. The City hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

(d) *Budget.* The City hereby covenants to take such action as is necessary under the laws applicable to the City to budget for and include and maintain funds sufficient and available to discharge its obligation to meet all rental payments due hereunder in each Fiscal Year.

(e) *Payment.* Each annual Base Rental payment and each Additional Rental payment shall be paid in lawful money of the United States of America, by warrant or check drawn against funds of the City, at the office of the Trustee in Los Angeles, California, or at such other place or places as may be set forth in the Resolution. Each annual Base Rental payment and each Additional Rental payment which is not paid when due shall bear interest at the rate of eight percent (8%) per annum from the date on which the Base Rental payment or Additional Rental payment, as the case may be, becomes due until the same

is paid. Notwithstanding any dispute between Authority and City hereunder, City shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that City was not liable for said rental payments or any portion thereof, said payments or excess of payments as the case may be shall be credited against subsequent rental payments due hereunder.

(f) *Credit on Base Rental.* There shall be credited against Base Rental any amount required to be so credited under the Resolution.

SECTION 5. *Construction of Project.*

In accordance with the Agreement, the Authority shall construct or cause to be constructed the Facilities on the Site in accordance with the Plans and Specifications. A Construction Contract for the construction of the Facilities shall be awarded to a contractor or contractors licensed under the laws of the State of California and such Construction Contract shall be awarded after competitive bidding following the procedures required by the applicable laws of the State of California relating to the awarding of contracts of a similar nature by the Authority. For the purpose of paying the cost of construction of the Facilities on the Site and all costs and expenses incidental thereto, the Authority shall issue its Bonds pursuant to the Resolution.

The Authority shall require the contractor or contractors who are awarded the Construction Contract to provide a faithful performance bond and a labor and material bond in favor of the Authority. Each such bond shall be in an amount not less than the contract price. The proceeds from any such bond shall be transferred to the Trustee for deposit in the Construction Fund established pursuant to the Resolution.

The City may be reimbursed or paid by the Authority at the option of the City for costs incurred or payments made by advances or otherwise by City.

Changes in the work during construction may be ordered in accordance with Section 10 of the Agreement; provided, however, that unless sufficient additional funds are provided therefor (i) the cost of the Facilities shall not exceed that which is established at the time when the Bonds are issued by the Authority, and (ii) the cost of change orders shall not exceed the reserve therefor established at such time. City shall take no action which extends the period of construction beyond the period for which the Authority has funded interest on its

Bonds unless sufficient additional funds are provided therefor. Any moneys remaining in the Construction Fund (to be established under the Resolution) after the construction and completion of the Facilities shall be applied by the Authority as provided in the Resolution.

SECTION 6. *Maintenance and Operation.*

The City shall, at its own expense, maintain, manage and operate the Leased Premises and all improvements thereon in good order, condition and repair. The City shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services. It is understood and agreed that in consideration of the payment by the City of the rental herein provided for, the Authority is only obligated to provide the Leased Premises, and the Authority shall have no obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Premises during the term of this Sublease. The City shall keep the Leased Premises and any and all improvements thereto free and clear of all liens, charges and encumbrances.

SECTION 7. *Additions and Improvements.*

The City shall have the right during the term of this Sublease to make any additions or improvements to the Leased Premises, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Premises, provided the use or fair rental value of the Leased Premises for the purposes contemplated in this Sublease are not impaired. Title to all personal property placed in any of the improvements on the Leased Premises by the City shall remain in the City. The title to any personal property, improvements or fixtures placed on the Leased Premises by any sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City. Title to all personal property placed in any of the improvements on the Leased Premises by the Authority shall remain in the Authority and said personal property may be replaced by the Authority.

SECTION 8. *Insurance.*

The Authority shall, during the term of this Sublease, keep or cause to be kept a policy or policies of insurance against loss or damage to the Leased Premises, and appurtenances and permanent equipment, resulting from fire, lightning, vandalism, malicious mischief, and such

perils ordinarily defined as "extended coverage" and other perils as the Authority and the City may agree should be insured against on forms and in amounts satisfactory to each. The City and the Authority, as the case may be, shall be named as an additional insured under such policies of insurance as the building contractor may be required by the Authority to carry during the construction of the Facilities. Nothing herein shall be construed to require the Authority to carry insurance with respect to equipment or fixtures of the Leased Premises not provided by the Authority pursuant to the plans and specifications for the construction of the Facilities.

During the term of this Sublease, the Authority shall keep or cause to be kept public liability and property damage policies protecting both the Authority and the City on forms and in amounts satisfactory to each.

The Authority shall also carry or cause to be carried such other insurance as is required by the Resolution.

All premiums and charges due and payable by the Authority for all of the aforesaid insurance shall be paid by the City in accordance with the provisions of Section 4 hereof. Any such premium for a period partly within such period shall be prorated.

At the option of the City, any insurance required of the Authority hereunder may be provided by the City.

Notwithstanding the generality of the foregoing, the Authority shall not be required to maintain or cause to be maintained any insurance which is not available from reputable insurers on the open market or more insurance than is specifically referred to above.

SECTION 9. *Damage by Fire, Earthquake, Etc.*

In the event of destruction or damage to the Leased Premises by fire or earthquake or other casualty or event so that they become wholly or partly unusable, the Authority, at its option, may do either of the following:

(1) Rebuild and repair the Leased Premises so that they shall be restored to use, in which case this Sublease shall remain in full force and effect. Any excess of insurance proceeds resulting from such destruction or damage (other than business [rent] interruption insurance) over the amount expended for such repairing or rebuilding, shall be paid to the City, or

(2) Declare this Sublease terminated and use any money collected from insurance against the destruction of or damage to the Leased Premises to the extent necessary to retire any outstanding securities or any debts or liabilities which the Authority may have; provided, however, that if the Leased Premises can be repaired or rebuilt within the period for which the Authority has insurance against business (rent) interruption, and if the Authority shall have sufficient funds from the proceeds of insurance or otherwise for the necessary repairing or rebuilding, the Authority shall not proceed under this option without the City's consent.

During such time as the Leased Premises are unusable, rent shall cease. No further rental payments shall accrue until such Leased Premises are again ready for occupancy and rental payments already made, if any, shall be equitably abated and adjusted accordingly. In the event of partial damage to, or destruction of, the Leased Premises, so as to render a portion thereof unusable by the City, such rental payments (including those already made, if any) shall during the period of the partial unusability of the Leased Premises be in an amount that represents the fair rental value of the remainder of the Leased Premises usable by the City.

SECTION 10. *Assignment, Sublease and Security Transactions.*

Neither this Sublease nor any interest of the City herein shall, at any time after the date hereof, without the prior written consent of the Authority, be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law, or otherwise, except as specifically provided herein. The City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or subletting which may be made. The City shall have the right to further sublease or permit the use of all or any part of the Leased Premises, but nothing herein contained shall be construed to relieve the City from its obligation to pay rental as provided in this Sublease or relieve the City from any other obligations contained herein. The Authority may execute any and all instruments necessary and proper in connection therewith. Whenever in this Sublease any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 11. *Eminent Domain.*

If the whole of the Leased Premises, or so much thereof as to render the remainder unusable for the purposes for which the same

was constructed, shall be taken under the power of eminent domain, then this Sublease shall terminate as of the day possession shall be so taken. If less than the whole of the Leased Premises shall be taken under the power of eminent domain, and the remainder is usable for the Project purposes, then this Sublease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, in which event there shall be a partial abatement of the rent hereunder in an amount equivalent to the amount by which the annual payments of principal of, and interest on, the outstanding Bonds will be reduced in any applicable year by the application of the award in eminent domain to the call of outstanding Bonds.

Any award made in eminent domain proceedings for the taking or damaging of the Facilities in whole or in part shall be paid to the Trustee for the direct benefit of the holders of the Bonds and shall be used by the Trustee (together with any other money which shall be or may be made available for such purpose), to call, as nearly as may be practical, a principal amount of Bonds in each of the remaining maturities so that as nearly as possible in the discretion of the Trustee equal annual payments of principal and interest on the outstanding Bonds remaining will be maintained after said call.

In the event the amount so paid to the Trustee shall be more than sufficient to retire the Bonds then outstanding, any such excess shall be paid by the Trustee to the City.

SECTION 12. *Right of Entry.*

The Authority and its designated representatives shall have the right to enter upon the Leased Premises during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the Authority's rights or obligations under this Sublease, or (iii) for all other lawful purposes.

SECTION 13. *Liens.*

Except for payments made or required to be made under the Resolution, the City shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Premises and which may be secured by any mechanics', materialmen's or other lien against the Leased Premises, or the Authority's interest

therein, and shall cause each such lien to be fully discharged and released; provided, however, that if the City or the Authority desires to contest any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof, is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the City shall forthwith pay and discharge said judgment.

SECTION 14. *Taxes.*

The parties understand and agree that the Leased Premises constitute public property free and exempt from all taxation; however, the Authority agrees to take whatever steps may be necessary, upon written request by the City, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The City agrees to reimburse the Authority for any and all costs and expenses thus incurred by the Authority.

SECTION 15. *Quit Enjoyment.*

The parties hereto mutually covenant and agree that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Premises.

SECTION 16. *Law Governing.*

This Sublease is made in the State of California under the Constitution and laws of such State and is to be so construed.

SECTION 17. *Notices.*

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

City — City Clerk
City of Simi Valley
3200 Cochran Street
Simi Valley, California 93065

Authority — Secretary — At the same address with a
copy % Clerk of the Board of Supervisors
Ventura, California

SECTION 18. *Waiver.*

The waiver by the Authority of any breach by the City of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

SECTION 19. *Default by City.*

If (a) the City shall fail to pay any rental payable hereunder within 15 days from the latest date such rental is payable without penalty, or (b) the City shall fail to keep any such other terms, covenants or conditions contained herein for a period of 25 days after written notice thereof from the Authority to the City, or (c) the City shall abandon or vacate the premises, or (d) the City's interest in this Sublease or any part thereof shall be assigned or transferred without the written consent of the Authority, either voluntarily or by operation of law, or (e) the City shall file any petition or institute any proceedings wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the City's creditors to effect a composition or extension of time to pay the City's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or for any other similar relief, or (f) any such petition or any such proceedings of the same or similar kind or character shall be filed, instituted or taken against the City, then and in any of such events the City shall be deemed to be in default hereunder.

If the City should, after notice of such default, fail to remedy any default with all reasonable dispatch, in not exceeding 30 days, then the Authority shall have the right, at its option, without any further demand or notice (i) to terminate this Sublease and to re-enter the Leased Premises and eject all parties in possession thereof therefrom, or (ii) to re-enter the Leased Premises and remove all parties therefrom and, without terminating this Sublease, re-let the Leased Premises, or any part thereof, as the agent and for the account of the City upon such terms and conditions as the Authority may deem advisable, in which event the rents received on such re-letting shall be applied first to the expenses of re-letting and collection, including necessary renovation and alteration of the Leased Premises, reasonable attorneys' fees, and any real estate commissions actually paid, and thereafter toward payment of all sums due or to become due to the Authority hereunder,

and if a sufficient sum shall not be thus realized to pay such sums and other charges. The City shall pay the Authority annually any cumulative net deficiency existing on the date when Base Rental is due hereunder. The foregoing remedies of the Authority are in addition to and not exclusive of any other remedy of the Authority. Any re-entry and re-letting under (ii) above shall be done only with the consent of the City.

SECTION 20. *Execution.*

This Sublease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Sublease, and it is also understood and agreed that separate counterparts of this Sublease may be separately executed by the Authority and the City, all with the same full force and effect as though the same counterpart had been executed simultaneously by both the Authority and the City.

SECTION 21. *Validity.*

If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Sublease shall be held by a court of competent jurisdiction void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that the covenants and conditions of the City hereunder, including the covenant to pay rents hereunder, is unenforceable for the full term hereunder, then and in such event for and in consideration of the right of the City to possess, occupy and use the Leased Premises, which right in such event is hereby granted, this Sublease shall thereupon become, and shall be deemed to be, a lease from year to year under which the annual rentals herein specified will be paid by the City.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF SIMI VALLEY

By _____

Mayor

Attest:

City Clerk

(Seal)

SIMI VALLEY CIVIC
CENTER AUTHORITY

By _____

Chairman

Attest:

Secretary

(Seal)

I HEREBY APPROVE the form and legality of the foregoing Sublease this day of, 1977.

CITY ATTORNEY OF SIMI VALLEY

As City Attorney and as Ex Officio

Attorney for the

Simi Valley Civic Center Authority

STATE OF CALIFORNIA
COUNTY OF VENTURA

} ss.

On the day of, 1977, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared, known to me to be the Chairman and, known to me to be the Secretary, respectively, of the Simi Valley Civic Center Authority, a public corporation that executed the within instrument on behalf of said body therein named, and acknowledged to me that such body executed the within instrument pursuant to a resolution of its governing board.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

Notary Public, State of California

STATE OF CALIFORNIA
COUNTY OF VENTURA

} ss.

On the day of, 1977, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared, known to me to be the Mayor and, known to me to be the City Clerk, respectively, of the City of Simi Valley, a body corporate and politic, that executed the within instrument on behalf of said body therein named, and acknowledged to me that such body executed the within instrument pursuant to an ordinance of the City Council of said City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

Notary Public, State of California

EXHIBIT A

(TO COME)

EXHIBIT B

(TO COME)

